THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

March 22, 1941

Text of President Roosevelt's Personal Greetings Delivered by Dr. Currie

F.D.R. Blasts Axis

Churchill Welcomes Aid

Hitler Also Talks

Mr. Matsuoka May Meet Misfortune in Discussions at Rome and Berlin

VOLUME 96 PRICE 80 CENTS (in China) NUMBER 3

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What People Are Saying

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TYPICAL?

To the Editor:

"How typically Chinese," was the remark of a friend of mine, referring to the split in the Chinese front. My friend said that he never had seen the Chinese carry anything through to a definite conclusion, whether a war or a campaign, and cited a statement once made by Gen. Chiang Kai-shek, to the same effect. "How unfortunate," said my friend, that the Chinese should play into the hands of the Japs and the puppets, just when victory was in sight, and when the powerful United States was preparing to enter the war and come to the rescue—of China as well as Britain. My friend then cited a statement by a well known foreigner in Shanghai, long known as the No. 1 "die-hard," that "For Japan to win the war would be disastrous, but for China to win, would be a major tragedy."

While the trouble between the Chinese so-called Red troops and the Kuomintang is longstanding—dating back to Sian and Kiangsi—the immediate trouble grew out of a clash between Gen. Ku Chu-tung's troops and the New Fourth Army in southern Anhwei and northern Kiangsu. Bad blood had existed between these forces for a considerable period because the commanders of the New Fourth had been gradually extending their influence into the territory of Gen. Ku Chu-tung, who is head of the Kiangsu provincial Government. The feeling between the two armies became so acute that each was far more concerned with the activities of the other than with the activities of the Japanese Army and its puppets. In order to avoid an open break, Gen. Chiang ordered the Red troops out of the area, but a clash occurred anyway. There is no questioning the fact that Gen. Ku's troops attacked the Fourth and disarmed many of them. One wonders how it happened that the Fourth, proud of its prowess in fighting the Japanese, was so easily disarmed. And, on the other hand, one wonders why Gen. Ku doesn't exercise some of his genius shown attacking the New Fourth, by launching a drive against the Japanese, whose lines are very thin hereabouts.

The writer has little sympathy with the appeals which have been sent to the various Shanghai papers on behalf of the New Fourth, and on other hand is not deeply impresed by charges from Gen. Ku's camp that the Reds were trying to fight their way to the coast. So long as the Reds obey orders from Moscow, there can be little sympathy for them as Chinese patriots. In other countries this sort of activity is designated "Fifth-Column." As for Gen. Ku, it wwould not be a bad idea if he would do a little fighting himself, if for no other reason than to prove that he is not in secret understanding with the Nanking puppets.

I am fully aware of the fact that China has carried the banner of resistance against Japanese aggression for nearly four years and that the Japanese stand baffled at the situation. Their frequent drives and mopping-ups advertised in the local press are little more than **Domei battles**, and get them nowhere. The vital point is that the Japanese are definitely blocked militarily, hence are now using other methods—intrigue and bribery—which they may find more successful, particularly in causing the Chinese to fight each other, thus doing the job for the enemy and the puppets.

ANTI-TYPICAL

March 16, 1941.

"AVOID ENEMY TRAPS"

To the Editor:

Gen. Chiang Kai-shek has often emphasized in his speeches that we should avoid doing just what the enemy of China wanted us to do. Today, with Japan in her most difficult position, what she wants of us is just the weakening of our power to resist and to reconstruct. To push the anti-red issue to the point of starting a civil war is just her wish. To defeat he enemy's plan of "letting the China Incident support itself on Chinese war booties", we on our part should help to develop all anti-Japanese powers in the Japanese occupied areas and behind the Japanese lines. We must also defeat the enemy's policy of "playing off the Chinese by themselves" by guarding against any possibility of internal dissension. If so, the internal frictional incidents would find no occasion to arise. The rumor of our designed "offensive" would collapse by itself; Japan's and Germany's agitation for internal dissension in China, so hated by the Generalissimo, would fail completely.

Dr. Sun Yat-sen's injunction that we should awaken the masses and associate our nation with all others which treat us as equals suits the present situation all the more. What the Generalissimo said about the equal responsibility of the people of all places and ages in China for national resistance and reconstruction has deeply impressed our countrymen. Because of this, the war of resistance has been carried on into its fifth year. This year is destined to be the most difficult and yet the most important year for China. The pressing problem of Kuominang-Communist relationship incites much perplexity among the people and friendly nations. It gives chances which our enemy can take advantage of. Hence, we cannot but hope the Generalissimo and others in the Central Government would take steps to reinforce inernal peace. We believe that the observance of Dr. Sun's instructions and of our party's policies and the cessation of the works of sup-

THE CHINA WEEKLY REVIEW

Cable Address "REVIEWING SHANGHAI"

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pressing the Communists and, at the same time, the full development of all possible anti-Japanese forces will definitely assure us of our final victory. As for the Communist Party, its theories and practices will be despised by the people if they are contrary to public opinion. There is no need for adopting military measures. If it is anti-Japanese, our Kuomintang party should guide it to contribute to the national cause. Our policy remains explicit before all and it is our duty to carry it into effect.

What has been so far said in this letter is said because of our love for our country and our Party.

Shanghai, March 17, 1941

F. A.

SOME HOPE

To the Editor:

The Session of Peoples Political Council was succesfully concluded despite the fact the China Communist Party shared no interest and sent no delegates. Their refusal to send delegates, we may attribute to the differences existing between them resulting from the New Fourth Army incident with which the people still are gratly concerned. It is understood that the Communist Party presented several demands to the Council for consideration among them being demands that punishment be meted out to those officials who challenged the New Fourth Army; the release of Yeh Ting Commander of the New Fourth Army, and the assignment of certain areas to be administered by the Communist Party. Those demands, the Government flatly rejected.

We entertained considerable hopes about the United Front at the inception of hostilities. For four and half years we have been camouflaged to believe that China was unified in a concerted effort to resist aggression, but nevertheless internal dissention has brought to ligh a dangerous situation which, if aggravated, is tantamount to civil war. It is obvious that China is now engaged in a life and death struggle against aggression and therefore we should lose no time in strengthening their National Unity in order to drive out the enemy. During the four and half years' resistance China has smashed the morale and the military might of Japan and enmeshed approximately one million Japanese soldiers in China—which is now the main element in the decision of United States and Great Britain to give moral and material assistance to China. It is obvious to sane people that internal dissention only enhances the scorn of our enemy and we become the laughing stock of our traitors and destroy our long-chedited reputation among those nations we who are friendly to us.

In ordtr to accelerate our final victory, we earnestly hope that all the parties in China will forsake their difference to form a genuine United Front against aggression.

A. WANG

Shanghai, March 18, 1941.

AMERICAN STOCK AND COMMODITY QUOTATIONS

March 19. 1941

STOCKS

Amer. Locomotive	13⅝
Amer. Waterworks	5⅝
Anaconda Copper	24⅝
Bethlehem Steel	78⅜
Chrysler	65½
Elec. Bond & Sh.	3¼
Gen. Motors	43
Goodyear T. & R.	18⅜
Gt. Nthrn. Rly., pfd.	25½
Lockheed Aircraft	23⅞
Mont. Ward	36¾
N. Y. Central	12⅝
Texas Corp	35⅝
U. S. Steel	57⅛

COMMODITIES

New York Cotton, May	10.87/88
New York Rubber, May	22.25B/35A
New York Hides, June	13.75/75
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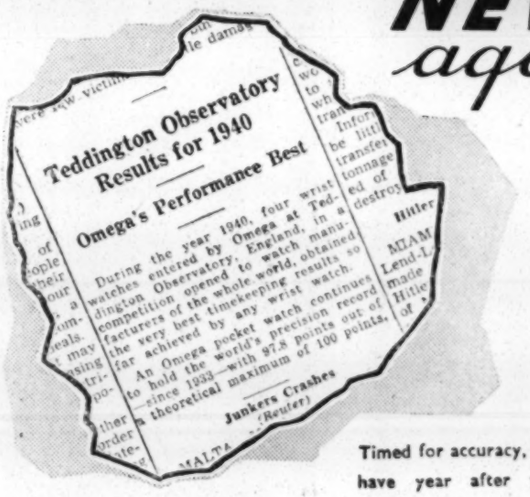
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Demand Buying rate on N.Y. ... ... U.S.$1.	=Sh.$17.98	=Sh.$18.18	=Sh.$18.39	=Sh.$18.18	=Sh.$18.18	=Sh.$18.18
Demand Selling rate on London ... £1-0-0	=Sh.$71.77	=Sh.$72.45	=Sh.$73.14	=Sh.$73.14	=Sh.$73.14	=Sh.$73.14
Demand Buying rate on London ... £1-0-0	=Sh.$69.82	=Sh.$70.46	=Sh.$71.11	=Sh.$71.11	=Sh.$71.11	=Sh.$71.11

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Selling rate during March 14—20, 1941

Shanghai $100. equals Yen	23⅛	23¼	22¾	23¼	23⅛	23¾
Shanghai $100. equals Guilders	10⅛	10	10	10	10⅛	10
Shanghai $100. equals Rupees	18⅛	18⅜	18⅛	18⅛	18⅜	18⅛
Shanghai $100. equals Pesos	10⅞	10⅜	10⅜	10⅜	10⅞	10⅜
Shanghai $100. equals Hongkong $	22¼	22	21¾	21¾	22	22⅛

THE CHINA WEEKLY REVIEW
密勒氏評論報

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NAZIS, FASCISTS, NIPPONESE AND PUPPETS DISLIKED F.D.R. SPEECH

THE prize for intemperate comment on President Franklin D. Roosevelt's address at the White House should be awarded to Shanghai's "Lord Haw-Haw," who referred to the American Chief Executive as "deranged mentally and idiotic." Since the local Nazi broadcast was made over the German Radio Station, located in the grounds of the local German school, church and assembly hall, technically in territory under the jurisdiction of the Japanese Army and puppet government, the premeditated insult to the American Chief Executive, was of even deeper significance.

Such comment, designed to influence Chinese and foreign opinion, obviously defeats its purpose, but it was illuminating nevertheless in that it indicated a state of mind no longer capable of temperate thinking and calm judgment. According to the psychiatrists the first indication of unsettled mentality is a tendency on the part of the patient to accuse others of suffering from his (the patient's) own ailment, which reminds one of the Old Quaker addressing his wife: "Me thinks the whole world is crazy except me and thee, and oft me thinks thee is a bit queer."

Referring to Roosevelt's declaration that "there never has been, there isn't now and there never will be, any race of people fit to serve as masters over their fellow men," the German spokesman declared that statement "must have referred to Great Britain," because Germany possesses no colonies." However, he did not quote the next paragraph in the President's address:

"The world has no use for any nation which, because of size or because of military might, asserts the right to goosestep to world power over other nations or other races. We believe that any nationality, no matter how small, has the inherent right to its own nationhood...We believe that the men and women of such nations, no matter what size, can, through the processes of peace, serve themselves and serve the world by protecting the common man's security; improve the standard of healthy living; provide markets for manufacture and for agriculture. Through that kind of peaceful service every nation can increase its happiness, banish the terrors of wars, and abandon man's inhumanity to man."

Response of European and Asiatic peoples whose persons, possessions and rights have been crushed underfoot by the tanks and marching armies of the dictators, and whose towns and villages and homes have been blown to smithereens by their bombers, will be unmistakable and probably not long in manifesting itself.

But before leaving the psychological, or psychiatrical elements, which were introduced by the Nazi spokesman's disparaging remarks about President Roosevelt's mentality, it might serve useful purpose, particularly in this Far Eastern contact point of oriental and occidental races, to repeat President Roosevelt's remark:

"We believe that the rallying cry of the dictators, their boasting about a master-race, will prove to be pure stuff and nonsense."

Also one can't help but speculate upon the mentality of Nazi publicists who were responsible for statements appearing in the *Hochi Shimbun*, Nazi organ in Tokyo on Monday of this week, the report being carried by the German *Transocean* service:

"Oh, Surely Not That!"

IF YOU HELP BRITAIN MUCH MORE YOU MAY LOSE MY FRIENDSHIP!
5TH COLUMN WORK IN THE U.S.
PLANS FOR NAZIFYING THE AMERICAS
AVOWED PURPOSE OF TRYING TO KILL ALL DEMOCRACIES

Herblock in The Lynchburg News

"Just as Germany is waging a war against the Jewish financial oligarchy, the eventual war between Japan and the United States will be a struggle by Japan against the Jewish financial clique in America . . . The United States is not really helping Britain, but only a small number of Jews anxious to retain their world supremacy . . . . Only when world capitalism has been replaced by a healthier economic system would it be possible to erect an effective barrier against the predominance of Jewish interests."

Travelers arriving in Shanghai from Japan have told of the alarming extent of Nazi domination over Japanese mentality of which the foregoing is a glaring example. The subject is also mentioned in an article by Eugene Chen elsewhere in this issue. Assuredly the Nazis are nurturing a monster which in time will not only devour them, but also will bring humiliation and disaster upon the Japanese.

Nazi domination of Japanese thought is so complete that it is difficult to discern, from a perusal of translations from the Japanese press, which is genuine Japanese thought and which is synthetic thought engendered by clever Nazi instructors. For example, the following was credited to a well known Japanese diplomat, "The only thing that Japan wants is a freer and better China. Japan is no more interested in making conquests than Germany is...A true peace can only be attained on a basis of justice and satisfaction....Japan does not want to interfere with China's political integrity, but Japan does want to deliver China from oppression...."

AMERICANS MUST SACRIFICE TO HELP BRITAIN, CHINA, OTHER DEMOCRACIES

(The following is the complete text of President Franklin D. Roosevelt's memorable address, delivered before the White House Correspondents' Associations, on Saturday evening, March 15.)

"This dinner of the White House Correspondents' Association is unique. It is the first one at which I have made a speech in all these eight years. It differs from the press conferences that you and I hold twice a week. You cannot ask me any questions; and everything I have to say is word for word **'on the record'.**

"For eight years you and I have been helping each other. I have been trying to keep you informed of the news of Washington, and of the nation, and of the world, from the point of view of the Presidency. You, more than you realize it, have been giving me a great deal of information about what the people of this country are thinking.

"In our press conferences, as at this dinner tonight, we include reporters representing papers and news agencies of many other lands. To most of them it is a matter of constant amazement that press conferences such as ours can exist in any nation in the world.

"That is especially true in those lands where freedoms do not exist—where the purposes of our democracy and the characteristics of our country and of our people have been seriously distorted.

"Such misunderstandings are not new. I remember that in the early days of the first World War the German Government received solemn assurances from their representatives in the United States that the people of America were dis-united; that they cared more for peace at any price than for the preservation of ideals and freedom; that there would even be riots and revolutions in the United States if this nation ever asserted its own interests.

"Let not dictators of Europe and Asia doubt our unanimity now.

"Before the present war broke out on September 1, 1939, I was more worried about the future than many people—most people. The record shows I was not worried enough.

"That, however, is water over the dam. Do not let us waste time reviewing the past, or fixing or dodging the blame for it. History cannot be rewritten by wishful thinking. We, the American people, are writing new history today.

"The big news story of this week is this: the world has been told that we, as a united nation, realize the danger which confronts us—and that to meet that change our democracy has gone into action.

"We know that although Prussian autocracy was bad enough, Nazism is far worse.

"Nazi forces are not seeking mere modifications in colonial maps or in minor European boundaries. They openly seek the destruction of all elective systems of government on every continent—including our own; they seek to establish systems of government based on the regimentation of all human beings by a handful of individual rules who have seized power by force.

"These men and their hypnotized followers call this a new order. It is not new. It is not order. For order among nations presupposes something enduring—some system of justice under which inviduals, over a long peroid of time, are willing to live. Humanity will never permanently accept a system imposed by conquest and based on slavery.

"These modern tyrants find it necessary to their plans to eliminate all democracies—eliminate them one by one. The nations of Europe, and indeed we ourselves, did not appreciate that purpose. We do now. The process of the elimination of the European nations proceeded according to plan through 1939 and 1940, until the schedule was shot to pieces by the unbeatable defenders of Britain.

"The enemies of democracy were wrong in their calculations for a very simple reason. They were wrong because they believed that democracy could not adjust itself to the terrible reality of a world at war.

"They believed that democracy, because of its profound respect for the rights of men, would never arm itself to fight.

"All's Well"

Toronto Daily Star (Canada).

"They believed that democracy, because of its will to live at peace with its neighbors, could not mobilize energies even in its own defense.

"They know now that democracy can still remain democracy, and speak, and reach conclusions, and arm itself adequately for defense.

"From the bureaus of propaganda of the Axis powers came the confident prophecy that the conquest of our country would be "an inside job"— accomplished not by overpowering invasion from without, but by disrupting, confusing and disunion and moral disintegration from within. Those who believed that knew little of our history. America is not a country which can be confounded by the appeasers, the defeatists, the backstairs manufacturers of panic. It is a country which talks out its problems in the open, where any man can hear them.

"We have just now engaged in a great debate. It was not limited to the halls of Congress. It was argued in every newspaper, on every wave length—over every cracker barrel in the land. It was finally settled and decided by the American people themselves.

"The decisions of our democracy may be slowly arrived at. But when that decision is made, it is proclaimed not with the voice of any one man but with the voice of one hundred and thirty million people. It is binding on all of us. And the world is no longer left in doubt.

"This decision is the end of any attempts at appeasement in our land; the end of urging us to get along with the dictators; the end of compromise with tyranny and the forces of oppression.

"The urgency is **great.**

"We believe firmly that when our production output is in full swing, the democracies of the world will be able to prove that dictatorships cannot win.

"But now the time element is of supreme importance. Every plane, every other instrument of war, old and new, which we can spare now, we will send overseas. That is commonsense strategy.

"The great task of this day, the deep duty which rests upon us is to move products from the assembly lines of our factories to the battle lines of democracy—now!

"We can have speed and efficiency if we maintain our existing unity. We do not have and never will have the false unity of a people browbeaten by threats and misled by propaganda. Ours is a unity which is possible only among free men and women who recognize the truth, and face reality with intelligence and courage.

"Today, at last, ours is not a partial effort. It is a total effort and that is the only way to guarantee ultimate safety.

"Beginning a year ago, we started the erection of hundreds of plants and we started the training of millions of men. Then, at the moment the aid to democracies bill was passed we were ready to recommend the seven billion dollar apropriation on the basis of capacity production as now planned.

"The articles themselves cover the whole range of munitions of war and of the facilites for transporting them.

"The aid to democracies bill was agreed to by the Houses of the Congress last Tuesday afternoon. I signed it one half hour later. Five minutes later I approved a list of articles for ammediate shipment. Many of them are on their way. On Wednesday, I recommended an appropriation for new material to the extent of seven billion dollars; and the Congress is making patriotic speed in making the appropriation available.

"Here in Washington, we are thinking in terms of speed and speed now. And I hope that watchword will find its way into every home in the nation.

"We shall have to make sacrifices—every one of us. The final extent of those sacrifices will depend upon the speed with which we act now!

"I must tell you tonight in plain language what this undertaking means to you—to your daily life.

"Whether you are in the armed services; whether you are a steel worker or a stevedore; a machinist or a housewife; a farmer or a banker; a storekeeper or a manufacturer—to all of you it will mean sacrifice in behalf of your country and your liberties. You will feel the impact of this gigantic effort in your daily lives. You will feel it in a way which will cause many inconveniences.

"You will have to be content with lower profits from business because obviously your taxes will be higher.

"You will have to work longer at your bench, or your plow or your machine.

"Let me make it clear that the nation is calling for the sacrifice of some privileges but not for the sacrifice of fundamental rights. Most of us will do that willingly. That kind of sacrifice is for the common national protection and welfare; for our defense against the most ruthless brutality in history; for the ultimate victory of a way of living now so violently menaced.

"A half-hearted effort on our part will lead to failure. This is no part time job. The concepts of 'business as usual' and 'normalcy' must be forgotten until the task is finished. This is an all out effort—nothing short of all out effort will win.

"We are now dedicated, from here on, to a constantly increasing tempo of production—a production greater than we now know or have ever known before—a production that does not stop and should not pause.

"And so, tonight, I am appealing to the heart and to the mind of every man and every woman within our borders who loves liberty. I ask you to consider the needs, of our nation at this hour, and to put aside all personal differences until our victory is won.

"The light of democracy must be kept burning. To the perpetuation of this light, each must do their own share. The single effort of one individual may seem very small. But there are 130,000,000 individuals over here. There are many more millions in Britain and elsewhere bravely sheltering the great flame of democracy from the blackout of barbarism. It is not enough for us merely to trim the wick, or polish the glass.

"The time has come when we must provide the fuel in ever-increasing amounts to keep the flame alight.

"There will be no divisions of party section or race or nationality or religion. There is not one among us who does not have a stake in the outcome of the effort in which we are now engaged.

"A few weeks ago I spoke of four freedoms—freedom of speech and expression, freedom of every person to worship God in his own way; freedom from want; freedom from fear. They are now the ultimate stake. They may not be immediately attainable throughout the world but humanity does move toward those ideals through democratic processes. If we fail—if democracy is superseded by slavery—then those four freedoms or even the mention of them will become forbidden things. Centuries will pass before they can be revived.

"By winning now, we strengthen their meaning, we increase the stature of mankind and the dignity of human life.

"There is a vast different between the word 'loyalty' and the word 'obedience'. Obedience can be obtained and enforced in a dictatorship by the use of threat and extortion or it can be obtained by a failure on the part of the government to tell the truth to citizens.

"Loyalty is different. It springs from the mind that is given the facts, that retains ancient ideals and proceeds without coercion to give support to its own government.

"That is true in England and in Greece and in China and in the United States today. And in many other countries millions of men and women are praying for the return of a day when they can give that kind of loyalty.

"Loyalty cannot be bought. Dollars alone will not win this war. Let us not delude ourselves as to that.

"Today, nearly a million and a half American citizens are hard at work in our armed forces. The spirit and the determination of these men of our Army and Navy are worthy of the highest traditions of our country. No better men ever served under Washington, or John Paul Jones, or Grant, or Lee, or Pershing. That is a boast, I admit—but it is not an idle one. Greatly upon the national will to sacrifices and to work depends the output of our industry and our agriculture.

"Upon that will, depends the survival of the vital bridge across the ocean—the bridge of ships which carry the arms and food for those who are fighting the good fight.

"Upon that will, depends our ability to aid other nations which may determine to offer resistance.

"Upon that will, may depend practical assistance to people now living in nations which have been overrun, should they find the opportunity to strike back in an effort to regain their liberties.

"This will of the American people will not be frustrated, either by threats from powerful enemies abroad or by small, selfish groups or individuals at home.

"The determination of America must not be obstructed by war profiteering.

"It must not be obstructed by unnecessary strikes of workers, by shortsighted management, or by deliberate sabotage.

"For, unless we win there will be no freedom for either management or labor.

"Wise labor leaders and wise business managers will realize how necessary it is to their own existence to make common sacrifices for this great common cause.

"There is no longer the slightest question of doubt that the American people recognize the extreme seriousness of the present situation. That is why they have demanded, and got, a policy of unqualified, immediate all out aid for Britain, Greece, China and for all the Governments in Europe whose homelands are temporaily occupied by the aggressors.

"From now on that aid will be increased—and yet again increased—until total victory has been won.

"The British are stronger than ever in the magnificent morale which has enabled them to endure all the dark days and the shattered nights of the past ten months. They have the full support and help of Canada, and the other Dominions, of the rest of their Empire, and non-British people throughout the world who still think in terms of the great freedoms.

"The British people are braced for invasion whenever the attempt may come—tomorrow—next week—next month.

"In this historic crisis, Britain is blessed with a brilliant and great leader in Winston Churchill. But, no one knows better than Mr. Churchill himself, that it is not alone his stirring words and valiant deeds which give the British their superb morale. The essence of that morale is in the masses of plain people who are completely clear in their minds about the one essential fact—that they would rather die as free men than live as slaves.

"These plain people—civilian as well as soldiers and sailors and airmen—women and girls as well as men and boys—are fighting in the front line of civilzation, and they are holding that line with a fortitude which will forever be the pride and the inspiration of all free men on every continent and on every island of the sea.

"The British people and their Grecian allies need ships. From America, they will get ships.

"They need planes. From America, they will get planes.

"They need food. From America, they will get food.

"They need tanks and guns and ammunition and supplies of all kinds. From America, they will get tanks and guns and ammunition and supplies of all kinds.

"China likewise expresses the magnificent will of millions of plain people to resist the dismemberment of their nation. China, through the Generalissimo, Chiang Kai-shek, asks our help. America has said that China shall have our help.

"Our country is going to be what our people have proclaimed it must be—the arsenal of democracy.

"Our country is going to play its full part.

"And when dictatorships disentegrate—and pray God that will be sooner than any of us now dares to hope—then our country must continue to play its great part in the period of world reconsruction.

"We believe that the rallying cry of the dictators, their boasting about a master-race, will prove to be pure stuff and nonsense. There never has been, there isn't now, and there will never be, any race of people fit to serve as masters over their fellow men.

"The world has no use for any nation which, because of size or because of military might, asserts the right to goosestep to world power over other nations or other races. We believe that any nationality, no matter how small, has the inherent right to its own nationhood.

"We believe that the men and women of such nations, no matter what size, can, through the processes of peace, serve themselves and serve the world by protecting the common man's security; improve the standard of healthful living; provide markets for manufacture and for agriculture. Through that kind of peaceful service every nation can increase its happiness, banish the terrors of war, and abandon man's inhumanity to man.

"Never, in all our history, have Americans faced a job so well worthwhile. May it be said of us in the days to come that our children and our children's children rise up and call us blessed."

HITLER CALLS FOR GREATER EFFORT TO FORCE COLLAPSE OF BRITAIN "THIS YEAR"

(Through a coincidence, Adolf Hitler spoke on German's war aims on the day following President Roosevelt's memorable address in Washington, which appears in the foregoing. The Fuehrer's speech was delivered in Berlin on the occasion of the celebration of Heroes Memorial Day, and was radioed to Shanghai by the Nazi Transocean news service. Publication of the two addresses—Roosevelt and Hitler—provides a rare opportunty for making comparisons!)

BERLIN—"If during the winter months our allies had to bear the brunt of British attacks, from now on German armed forces will resume their share of this burden. No power and no assistance in the world will change the outcome of the war. Britain will collapse."

"Again we celebrate in this room Heroes Memorial Day of our people," said the Fuehrer. "We are aware how little words can express adequately the thanks of the nation to its heroes.

"During long epochs of peace gradually memory is dimming of the terrible experiences of war from which emanates heroism and sacrifice of life. It, therefore, often comes to pass that a generation itself not knowing war is commemorating heroes without being in the least worthy of them. Then the sacrifice of men is celebrated with shallow phrases.

"The German nation is commemorating its heroes this year under circumstances which afford us to remember proudly those who in the fights of the distant and near past sacrificed their lives for the nation.

"When 12 months ago in this sacred hall we commemorated the day, our heroes lay behind us the extraordinary successful beginning of the war which Germany did not want but which was forced upon us by the same forces which bear the responsibility for the big war of 1914-18. They are those elements which made it their aim to rob the German nation of its most primative vital right which in the years following upon the Versailles Dictate had made political enslavemnt and economic destruction of the German dogma for a new world order and which are now opposed to the renaissance of our nation with the same hatred with which they once prosecuted the Second Reich.

"Complete misconception of the situation and consequent miscalculation of their own and Germany's strength led them to believe that a second defeat of our nation would be easier than their first attempt at such defeat had been.

"If the American General Wood speaking before the Senate Foreign Relations Committee assured that Mr. Churchill had already in 1936 stated that Germany was again too powerful and therefore must be destroyed in a new war, then this historically established fact is only illuminating the responsibility for the present development.

"Britain and France wanted war. War was desired not so much by the British and French population but by a small clique of political and financial leaders. These war mongers hoped that by pushing Poland to the front they would not only find an outward occasion for war but also would have an excellent opportunity to split up German forces from the very beginning in a similar manner which had proved so advantageous to them in the World War.

"Eighteen days of campaign in Poland had shattered these hopes. With proud confidence the German nation thus was able to enter the new year of 1940.

"The Germans, however, did not deceive themselves as to the grave events lying ahead. The battle in the West, so well remembered by old German soldiers as an endless way of suffering, had to be brought to a decision.

"In full knowledge of our plans and preparations, in unlimited faith in German soldiers, their equipment, their leaders and particularly their excellent bearing, I dared on Heroes Memorial Day, 1940, to announce the coming battle as the most glorious victory in Germany's history.

"Eight weeks later the battle began. However, before action started in the West, the most important decision in this war had perhaps already occurred. On April 9 at the very last minute Britain's dangerous attempt of getting at the rear of the Great defense from the north was frustrated. When the morning dawned on April 10, this in its consequences perhaps constituted the most dangerous menace to our military and economic position was already successfully warded off.

"Hitler's Peace Movement"

Syndicated cartoon in China Press

"The fight for a decision in the West could, therefore, begin. It took the course mapped out in advance. That which had not been achieved during the four years of unspeakable sacrifice in the World War was accomplished within a few weeks: the collapse of the British-French front.

"Without consideration for the shallow opinion of the British Prime Minister who is laden with guilt, this year 1940 will go down in history as one packed with decisions and most important as to consequences. For during this year took place the shifting of power of verily historic importance. If Germany in 1918 could have won only part of this success, then also the World War would have been won.

"Today the German armed forces are standing ready for action and confident to complete what was begun in the historic year 1940.

"Therewith we are stepping up to the German heroes of the past with even greater right than in 1940. All of us know what they had to bear and suffer, especially in the World War, but today we bow our heads before their sacrifices as people worthy of them.

"When German divisions started on their march westward, today's Heroes Memorial Day had its great beginning, for then in the innumerable soldiers cemeteries in the West victorious sons stood at the graves of their fathers.

"The German people had made good everything which once in a mad illusion they had given up and lost in the midst of glorious events of the present time. We are not forgetting the immeasurable spiritual strength which had come to the German people and German soldiers from the heroism of our forefathers.

"Our soldiers in the World War had not laid down their lives in vain. Although at that time sacrifices were denied immediate success, the German soldiers' and their boundless courage became an inheritance which not only deeply moves every German generation but is also kept in paralyzing memory by our adversaries.

"It is also due to this proud inheritance that the German people today succeeded in accomplishing the achievements of immeasurable greatness. The German people feel gladly bound to execute the last will of their brave forefathers.

"Side by side with the World War dead, there are lying now the victims of the continuation of the battle. And again sons of our nation are lying interred and on the bottom of the seas as valiant fighters of their Greater German Fatherland.

"It is the same German men who, be it in the World War or in today's fight which was imposed on us, is sacrificing his life in order to secure at last the future for his nation and enforce peace, leading to organization of a human community, better than that which the dictators of the Versailles Treaty perpetrated.

"'We remember today also Italian soldiers who as allies had given their lives in distant parts af the world. Their ideals and war aims are the same as our.

"The world is not there for a few nations only.

"Also those in the home country must make greater sacrifices than formerly. Also their heroism is contributing to making this decisive struggle in German history a success. Here it is now only man who is proving his power of resistance but also woman. The nation today has become a fighting entity not because it sought this struggle but because it was forced upon it.

British Premier Reveals Three German U-Boats Sunk, Nazi Warships Operating in American Waters

Mr. Winston Churchill, British Premier, declared on Tuesday that British shipping losses had risen "for the time being." He also confirmed that German submarines and warships had been operating in American waters.

"We are applying our fullest strength and resources and all that science can command in order to meet this potentially moral challenge...." the Prime Minister said.

"The American destroyers which reached us during winter will augment us in the increasingly coming action."

Mr. Churchill made these statements in toasting the new American Ambassador to London, Mr. John G. Winant, during the Pilgrims Society luncheon, at which also he paid a tribute to President Roosevelt.

He revealed that the day before the dinner he had received news of the certain destruction of three U-boats, which he characterized as a "delectable triple event."

'I Have Been Cheered

"Not since October 13, 1939, have I been cheered by news of such a delectable triple event. At a moment of such ordeal, the words and acts of the President and people of the United States come to us like a draught of life and they tell us by an ocean-borne trumpet call that we no longer are alone."

(On Oct. 13, 1939, three German submarines also were destroyed).

He also comfirmed that Nazi submarines as well as German warships had been operating in American waters.

"Not only German U-boats but German battle cruisers have crossed to the American side of the Atlantic and already sunk some of our independently routed ships now sailing in convoy," he he said.

"They have sunk ships as far west as the 42nd meridian longitude.

"It is my rule, as you know, not to conceal the gravity of danger from our people. Therefore, I have the right to believe when I also proclaim our confidence that we shall overcome them.

"But anyone can see how bitter is the need of Hitler and his gang to cut sea routes between Britain and the United States and, having divided these mighty Powers, to destroy them one by one.

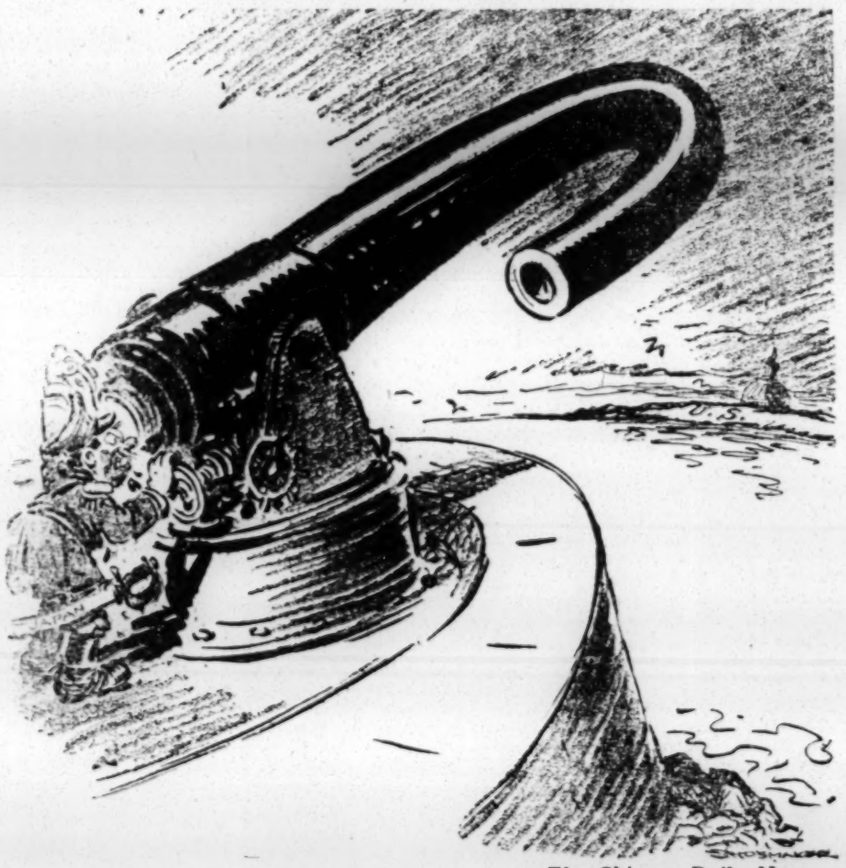
"We must regard this battle of the Atlantic as one of the most momentous ever fought in all annals of war. Therefore, Mr. Winant, you come to us at a grand turning point in the world's history."

Mr. Churchill said that there was a succession of influential and official American visitors recently and he discerned one thing in all of them, "They would be ready to give their lives, nay, proud to give their lives, rather than a good cause should be trampled down by darkness, and barbarism again engulf mankind.

"We know that other hearts of millions, of scores of millions, beat with ours and that their voices proclaim the cause for which we strive. Other strong hands wield the hammers and shape the cibly frustrated.

"You, Mr. Ambassador, share our purpose. You will share our dangers and interests. You shall share our secrets and the day will come when the British

"Japan Takes Aim — At What"



The Chicago Daily News

weapons we need. Other gleaming eyes are fixed with hard conviction upon the tyrants and tyrannies that must and will be destroyed.

Winant Welcomed

"I welcome you, Mr. Winant, at a moment when a great battle, in which your Government and nation are deeply interested, is developing in full scope and severity.

"The Battle of the Atlantic must be won in a decisive manner. It must be won beyond all doubt if the declared policies of the Government and people of the United States are not to be for-

Empire and the United States will share together the solemn but splendid duties which will crown our victory."

Mr. Winant, replying to Mr. Churchill, said that the Nazi "new order" had not deceived the masses of the world.

"They realize that there is no order or security in tyranny," he said. "They want what the British want. They want what the Americans want. They want a friendly, civilized world of free peoples in which Christian virtues and moral values are not spurned as decadent and outmoded, a world where honest work is recognized and man owns himself."

(Continued from Preceding Page)

"As Britain and France declared war, thus Britain started a war against civilian life. To the blockade of the World War—a starvation war against women and children—Britain added this time an incendiary aerial warfare against villages and towns. However, in both Britain will be defeated. Churchill by aerial warfare, which he perpetrated, will not destroy Germany, but Great Britain itself, and also the blockade will not hit Germany but those who originated it.

"Even if the advent of winter has so long curtailed fighting, operations in the air and on sea have been continued. To the heroism of our submarine and ships' crews is added the heroism of our airmen.

"We cannot conclude this Heroes Memorial Day better than by renewing our vow to convert this war, which our internatinal adversaries started, into a definite German victory.

"Behind us lies a winter of hard work. What could be done for improving our training still further has been done. The German armed forces have now become the strongest military instrument in our history.

"Britain will collapse. The eternal Providence does not let those become victorious who are willing to shed blood for nothing but domination of their gold.

"Germany has demanded nothing from Britain or France. All German renunciations and all her disarmament and peace proposals were in vain.

"International plutocracy wishes to fight this war to the finish. This war, therefore, must be and will be a war of destruction. May then Providence let us find the right way to lead the peoples freed from their shackles to a better order of things.

"Cool and determined we line up in 1941 in order to complete what was begun last year. No matter on what soil, at what seas and over what territories German soldiers are fighting, they are conscious that this war will decide the fate, freedom and future of the German people for all times to come.

"Terminating the war victoriously is the most dignified expression of our gratitude to the heroes of the past. We save that for what they died: Germany, our people and our Greater German Reich."

MR. MATSUOKA LIKELY TO MEET WITH MISFORTUNE

BY C. W. TOMBS

If nothing more, Mr. Matsuoka, Japanese Foreign Minister, at least must be credited with an apparently inexhaustible ability to "put his foot in it" on every possible occasion—if the occasion does not exist, his tongue creates one, as his record of political blundering during the past six months shows very clearly. On at least three important statements of foreign policy it has fallen to the unhappy lot of Mr. Chuichi Ohashi, his Vice-Minister, to make outright retraction on behalf of the Foreign Minister, and throughout his term of office he has succeeded in being consistently offensive toward other powers in his utterances, both official and off the record. In view of the great unpopularity with which he is known to be regarded abroad on this account, therefore, his influence in Japanese politics must have been remarkable to permit him to retain office; for that reason alone, the possibilities inherent in his trip to Europe must not be ignored by those who have come to regard Mr. Matsuoka's capers as a somewhat undignified, and often irritating, political three-ringed circus.

On the evening of his departure from Osaka, Mr. Matsuoka reiterated that he had no "special agenda" for his talks with Japan's Axis partners in Berlin and Rome. This statement was made before Mr. Roosevelt's speech to Washington correspondents on Saturday—but even disregarding the obvious questions raised by the President's outspoken comments for Axis benefit, there can not be the slightest doubt that the Japanese Foreign Minister had a definite program drawn up for his visit to Berlin and Rome, and probably a long program at that. That the Foreign Minister of a country should go avisiting his country's Allied capitals on a spring jaunt is as unbelievable as most of Mr. Matsuoka's statements, but in this case the probabilities are too great that the other members of the Japanese Cabinet had some part in arranging details of the trip. The possibilities of the discussions to be held in Berlin and Rome were then boundless; with Mr. Roosevelt's statement, their scope has extended enormously.

The main factors involved in any discussions which may come up, of course, must center on the implimentation of the Axis military pact in the now likely event of Germany's compelling the United States to go to war by torpedoing United States vessels or through overt acts such as sabotage. This possibility now seems such a probability that it must be necessary for the three Axis powers to lay the groundwork for action, and first and foremost Japan must ascertain what attitude the Sovitt will adopt—if that engima ever can be solved.

In this, Japan faces two courses: appeasement towards Russia, or downright aggression, and if Japan really intends to engage the United States and Britain in combat in the Pacific, then she must choose the course of appeasement. But Japan already has attempted appeasement towards Moscow. Yoshitisugu Tatekawa was despatched to Moscow for that purpose nearly five months ago. He left Tokyo in a blaze of publicity and subsided into the dreadful silence of a snubbed diplomat less than a month later. Tatekawa promised Japan a meeting with Stalin with whom he would settle all outstanding differences between the two countries. So far as has been ascertained, he has not even seen Molotov—the temporary extension of the Japanese, Russian fisheries agreement was effected between the Russian Ambassador in Tokyo and the Japanese Foreign Minister. Russia then made it evident that she intended to pursue her own political path regardless of Japan's wishes, and this view was reinforced by Moscow's statement at the time of the Abe-Wang Nanking Treaty on November, 1940, when the Soviet Foreign Office stated that the Nanking treaty would be ignored by Russia, and that Russian aid to China against Japan would continue. Accepting the theory that Japan will choose the better part of valor in her dealings with Moscow through Berlin and Rome, it is obvious in view of the Russian attitude that Mr. Matsuoka must be in a position to cast a bait at Moscow. The only bait visible at present is some scheme for the dismemberment of China, which Stalin already has shown he does not want.

It would appear, therefore, that Matsuoka, while he might greatly desire rapprochment with Moscow, has nothing to offer the Kremlin which Tatekawa did not have, and that so far as appeasement goes, Japan can proceed no further with Russia. The alternative is aggression, either by Japan or her Axis partners, and with the current situation in the Balkans the latter possibility too, can not be overlooked. Mr. Matsuoka undoubtedly was instructed to ask Germany to put pressure on Russia in the interests of a rapprochment, but Germany is in no position to press Russia unless she is prepared to have her bluffs called. At this distance, Russia has the better of the deal all along the Russian-German border, as she commands also the material support of the Anglo-Greek Allies and the moral support of America. Out of this international tangle, once again the Axis power emerge with the alternatives of appeasement and aggression, and current history has made certain their

"Hon. Sandbag Man"

Herblock in Boston Evening Transcript

choice in favor of the latter. This theory predicates Russian alliance with the democracies in the final showdown, and in that case, Japan's role already has been written in her punch-drunk dream of southward expansion. The southward expansion scheme might become that national hara-kiri towards which many believe Japan long has been hurtling, but Tokyo's militarists see in it only the "imperial destiny" of Japan. Further misfortune may attend Mr. Matsuoka's journey to Berlin, as pointed out by the *North China Daily News* on March 13.

Hitler when dealing with other countries, this paper pointed out, with the exception of Russia, has invariably insisted upon their representatives going to Germany to receive instructions either from himself, or Ribbentrop. Mussolini, it is true has met Hitler in the Brenner Pass, but when it is necessary to give instructions Count Ciano has gone more often to Berlin than Ribbentrop has journeyed to Rome. In the circumstances it is somewhat strange that Mr. Matsuoka, representing possibly the only equal partner in the Axis, should be travelling to Berlin and Rome, instead of the German Foreign Minister going to Japan. It is all the stranger when it is remembered that Hitler has nothing whatever to give Japan save

perhaps his sympathy in her endeavour to establish the alleged "New order" in East Asia, and it would surely have been more in keeping with the dignity of the Japanese Government if the people who wanted something had travelled to Tokyo, than for the Japanese representative to go seeking to know what benefits Japan could confer upon the Axis. It will be excusable, therefore, if the world at large comes to believe that even Japan, through German intrigues, has been brought to a false belief in her inferiority to Germany.

Hitler would undoubtedly like to persuade Japan through Mr. Matsuoka of the desirability of Japan at once entering the war on the side of the Axis the *North China Daily News* states. It would tend to benefit him in a way which he is completely unable to return, and if the trip results in the Japanese being led even further up the garden path than they have at the present moment no one will be at all surprised. The whole trouble is that overweening ambitions are at any rate for the moment blinding the eyes of the extremists in control at Tokyo as to where Japan's best interests lie. The puzzle why Mr. Matsuoka should make this trip at all is further complicated by the fact that Admiral Nomura has been sent to Washington for the purpose of promoting a better understanding between America and Japan. How can he possibly hope to succeed if the actions of the Japanese Foreign Minister are so completely at variance with the assurances that the latter has recently given on the subject of Japan's relations with the United States?

Much will, therefore, depend upon the decisions which are reached between Mr. Matsuoka, Hitler, and Mussolini. But there is another aspect of the matter which is of considerable interest. It will be remembered that one of the inducements offered Japan was the exercise of German influence in Moscow for the purpose of securing a better understanding between Tokyo and the Soviet. Despite the despatch of a special Japanese Ambassador to carry on negotiations at Moscow, nothing tangible has resulted up to the present, and, if the Germans have exercised their good offices with the Kremlin, they have been productive of precisely nothing. If, therefore, Mr. Matsuoka stops over at Moscow to find out what is the matter, it will, in the circumstances, be understandable. It is necessary for him to know why Germany has failed to keep this particular promise. It is either because she has not made sufficient attempts nor brought the proper influence to bear, or because Germany does not possess the influence in Moscow which Hitler would like the world to believe she wields. The chances are that Stalin fully realizes that Hitler can never play the part of an honest broker, and that there is no real trust entertained by the Kremlin of Hitler and his associates. That Mr. Matsuoka should have decided to visit Moscow to investigate the reasons for failure to arrive at a better relationship between Russia and Japan is perfectly comprehensible, and may prove to him some sort of test as to the real strength of the Axis, but that he should have decided to visit Rome and Berlin, instead of insisting that the Foreign Ministers of Germany and Italy should have come to him in Tokyo cannot in any way be conducive of Japanese dignity. It seems, in the circumstances, the paper concludes to be a mistake of the first magnitude, and indicative of an eagerness to throw in the lot of Japan with the other partners of an Axis, one partner of which has been severely defeated on all fronts, and the other of which faces something similar with, or without the assistance of Japan.

It might be added that this is not the first of Matsuoka's mistakes.

Duranty Sees Vast Changes in Soviet Union

Walter Duranty, correspondent for many years for *The New York Times*, stationed in Russia, recently returned to Moscow after a year's absence. In a dispatch circulated by the *North American Newspaper Alliance*, Mr. Duranty listed the following six "indisputable facts" which marked the measure of a year's change and possible guides to future developments:

1. The Soviet Union has maintained its neutrality according to its own definition of the word, which is abstention from a World War and relations toward other powers in accord with their attitude and relations toward the U.S.S.R.
2. There has been an excellent harvest, perhaps the best or second best in Soviet history, with all which that implies in a country that is still mainly agricultural. This despite climatic conditions last winter and spring so unfavorable that the crops of all the rest of eastern Europe suffered a notable decline. The Russians explain it by the assertion that the collective farm system has now emerged from its initial phase of trial and error and begun to justify its real value.
3. The army, navy and air force have been reorganized on a basis more appropriate for modern war.
4. A similar reorganization has been effected in industry, trade, transport, finance and education.
5. A new, more flexible and more practical conception has been introduced of the position and duties of the Communist party and its junior affiliates in relation to the nation in general and the national effort in particular.
6. The Soviet Union has absorbed, without apparent friction, large areas of territory for many years under alien flags, and it is claimed here, thus has made a new and perhaps decisive step toward the solution of the problem of nationalities in the Soviet state.

"Even such foreigners in Moscow as do not regard the Soviet Union with wholehearted affection admit there has been a marked upswing. For the first time since the gaudy days of 'NEP' (new economic policy, inaugurated while Lenin was still alive) the Moscow stores have a greater supply of goods than the public demands. Prices, of course, are high, but this one fact means much in a country where supplies have been consistently outrun by demands," stated Mr. Duranty.

Newsmen Move South

Tillman Durdin (left) former Managing Editor of "The China Press" and now Chief Correspondent for "The New York Times" in the Far East, and C. M. McDonald, Correspondent for "The London Times" in the Far East, departed from Shanghai recently on a trip which will take them to Hongkong, Chungking and possibly southward including Indo-China, Siam, Singapore and the Netherlands East Indies. Victor Keen, Correspondent for "New York Herald-Tribune", also departed for Singapore recently. Other correspondents representing various American and European services and newspapers have also proceeded to the south in recent days and weeks.

Japan's War-Effort Necessitates Stoppage Of Important Shipments Here

BY JOHN AHLERS

The Japanese Empire's participation in Shanghai's foreign trade, as indicated in the local Maritime Customs' trade returns, of late months was characterized by a series of new and interesting facts of which the general public as yet is little conscious. Increasing wartime shortage of commodities all over the Japanese sphere of power forms the common denominator of the main reasons behind these facts.

In the field of local imports, shortage of commodities compels Japan to curtail, and in several instances to practically discontinue, shipments to Shanghai of many industrial products in which Japan's export capacity formerly was most pronounced. No Osaka-made cotton piece-goods and little Japanese paper are being imported here now. Japan proper continues to send here only those goods the production or manufacture of which does not involve foreign materials which Japan would have to import herself. Japan proper's share in local imports also is on the decline; almost 40 percent of Shanghai imports in recent months were derived from the Japanese colonies.

Japan's commodity shortage induces Japan to search Shanghai, and to exploit local exchange and trade facilities, for supplies which Tokyo formerly secured elsewhere. This applies even more to the Japanese colonies than to Japan proper. Of local exports to the Japanese Empire during the current year's first month, two-thirds went to Nipponese colonies. While Shanghai imports from the Japanese Empire for the month in question, as compared with the previous year's corresponding month, showed but a slight increase in value and a slight decline in percentual share in local imports, Shanghai exports to the Island Empire trebled in value.

Japan's participation in local trade, even so, was, but a minor one. In Shanghai imports and exports, trade with the Japanese Empire accounted for no more than one-sixth. The two great Anglo-Saxon powers, sharing two-thirds of local foreign commerce, turned over four times as much foreign trade here as Japan managed to transact. In imports, Japan continues to be out-distanced even by French Indo-China, while in export the one island of Hongkong is far ahead of her. There is no sign of an increase in a mutual complement of Shanghai's and Japan's economic resources, supposed to form the fundamental aim of Japan's policy to establish a sphere alleged to as one of "mutual economic co-prosperity in East Asia." Japan's trade here mostly is but a wartime emergency trade.

Shanghai Exports

Shanghai exports to the Japanese Empire—including Japan proper, Korea, Formosa, and the Kwantung Leased Territory—in January this year aggregated $18,658,463, and was 16.22 per cent of Shanghai's total exports. For January last year, local exports in this same direction were valued at but $6,339,000, and formed but little more than five percent of all local exports. The increase is conspicuous, and all Japanese territories shared in it, as indicated by the following table:

Shanghai Exports

	January, 1941	January, 1940
Japan proper	$6,377,773	$2,542,069
Korea	$ 964,863	$ 126,000
Formosa	$2,419,064	$1,057,000
Kwantung L.T.	$8,896,763	$2,614,000

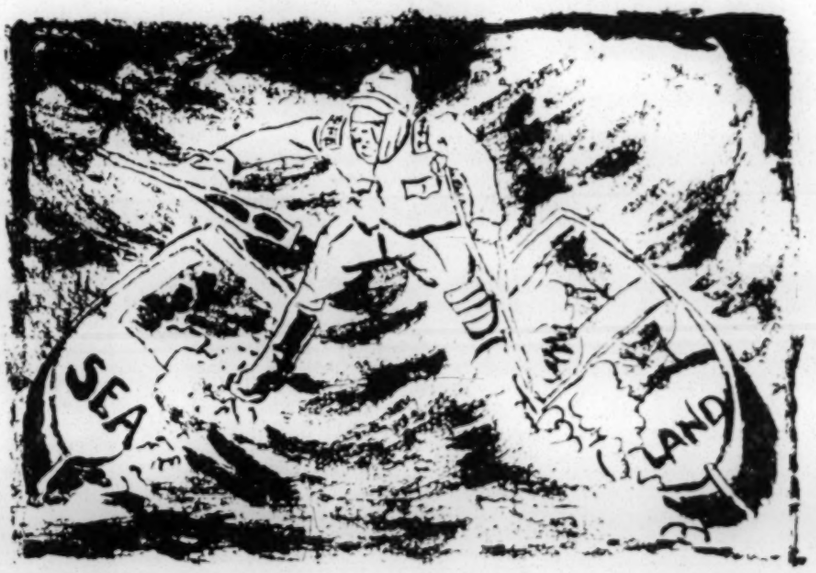
It is interesting to see, from the above table, that Shanghai shipments to Dairen show the most important increase, and that these shipments were considerably above local exports to Japan proper. Formosa Island now also appears as an important customer of Shanghai.

Now, which are the Shanghai goods which early this year to such extent attracted Japanese Empire buying as to treble local shipments to Japan and her colonies? Perusal of the Customs trade returns reveals that these goods are, in the first instance, textiles. Textiles of all categories account for no less than 45.7 percent, or little less than half, of all Shanghai January exports to the Japanese Empire. Local January textile exports with that destination were valued at $8,536,000, and formed almost eight percent of all local exports during the month in question.

Heavy Cotton Shipments

Most important of the textiles in question was raw cotton. Shanghai in January shipped to the Japanese Empire no less than $4,577,000 worth of raw cotton, and in addition another $929,000 of fly and waste cotton. These figures amount to a total $5,506,000 worth of cotton, and this is more than half the value of all Shanghai imports of foreign cotton during the month under review. In other words, more than half of Shanghai's cotton imports no longer are accounted for by local mill demand, but merely are being effected in transit on behalf of the Japanese Empire. Using Shanghai as a transit port for raw cotton importations, the Japanese manage to save a lot of foreign exchange, and to make repatriated Chinese foreign currency holdings provide foreign exchange which the Yokohama Specie Bank no longer has to spare. It is interesting to note that the bulk of the cotton shipped from here to the Japanese Empire ($3,181,000 in January) now goes to Dairen and that beside Japan proper, also Korea and Formosa receive minor shares in these shipments.

"Japan's Current Dilemma"



By Tsehye

Raw cotton, however, is by no means the only textile commodity the Japanese secure from Shanghai. They import from Shanghai substantial volumes of cotton goods as well. It is highly interesting to note that Formosa, for instance, in January bought from Shanghai $1,030,000 worth of local-made cotton yarns, with Japan's island colony accounting for 55 percent of all Shanghai yarn exports. In addition, the Japanese Empire during the same month imported $419,000 worth of Shanghai cotton piece-goods, and $456,000 worth of other local cotton products. Clearly the Osaka cotton spinning and weaving industries are so badly supplied, or rather undersupplied, with raw materials, and have had to curtail production so heavily, that they no longer are in a position to satisfy what little demand of

(Continued on Page 108)

Tempo of China War Increases as Chinese Claim Major Victories in Hopeh, Kwangtung, Shansi

The tempo of the China war increased greatly last week as the land and air forces of both sides swung into action which reached the highest intensity since the Japanese Honan campaign in January.

The Chinese claimed to have gained big successes in west Hopeh, on the south Kwangtung coast and in Shansi. The battle of Hopei the official Central News Agency described as the greatest Chinese vitcory since the Taierhchwang and Changsha battles.

The grim battle in west Hopei took place in areas opposite Ichang on the south bank of the Yangtse, where the Japanese had launched two offensives on March 6 and 9, mobilizing a total of 40,000 men, and aided by their air and artillery batteries. Their first drive with a force of 20,000 men strong being frustrated after a successful Chinese counter-attack on March 9, the Japanese reinforced the depleted forces with another 20,000 men and launched a second assault under the cover of a bombing barage laid own by planes. The second drive, according to Chinese military communique, was successfully crushed by the Chinese defenders, who claimed to have inflicted 7,000 Japanese casualties.

The Chinese pursuing forces, stated **Kuo Min** from Enshin, have advanced to the area east of Hwangnikang. The remnant Japanese fled to the northern bank of the Yangtse River in disorder. tI is said that prior to their retreat, the Japanese set fire to houses at Sianglingkow and Takiaopein, reducing the two villages to ruins. Chinese troops operating along the southern bank of the Yangtse River opposite Ichang also recaptured Siangwolung and the hill north of Tientsupo on March 11. Up to March 16, the Chinese claimed to have regained all but two points recently occupied by the Japanese in their two offensives. The Chinese military communique said that the Japanese forces would be dislodged from the two remanining points soon. The battle is regarded in the war-time capital as important because it had been feared that the Japanese might attempt an advance on Chungking from this front.

Another two Japanese withdrawals, meanwhile, were registered in the China war history last week as **Domei** reported from Hankow that the Japanese forces abandoned the Tungcheng area in the southwestern extremity of Hupeh on March 13 and Wuning area in the adjoining Kiangsi on March 9 "on their own initiative in order to secure more favorable positions." Both areas, it may be recalled, had been occupied by the Japanese forces for more than a year. Contrary to the Japanese reports, the Chinese claimed that these areas were regained only after successful Chinese guerilla attacks, which have always seriously menaced the Japanese garrison lines.

Japanese Start Drive

The Japanese, on the other hand, claimed to have started a new drive in the areas somewhere arround Fengsin, approximately 55 kilometers west of Nanchang, in North Kiangsi, on March 15, heading westward and southwestward. On March 17, The Japanese spearheads claimed to have reached Kaoan, described by **Domei** as the strongly defended Chinese base of operations on the Kin River approximately 50 kilometers west of Nanchang.

War in south China still remained in the news last week as the Chinese claimed to have recaptured the city of Kwanghai in south Kwangtung after three days of heavy fighting in which a large quantity of munitions, including a number of light machine-guns, fell into the hands of the Chinese forces. The Japanese are reported to have suffered casualties amounting to 300 killed and a large number wounded in the encounter.

In north China, fighting was witnessed in southern and southeastern Shansi where a force of 10,000 Japanese units from Changchih, Kaoping and Tsincheng, on the Paikweichan-Tsincheng Highway, in an attempt to reach the Yellow River, launched a concerted attack on the Chinese positions at Lingchwan on March 6, thereby to establish junction with the Japanese forces in the north of Honan province.

The Chinese military spokesman admitted that the Chinese troops were compelled to withdraw to a small distance east of the city. After several days of severe fighting, however, the Chinese launched a genral offensive on the night of March 12, and as a result the Japanese forces were driven back to their original positons, leaving Lingchwan once more in Chinese hands. In this single battle, the Chinese accounted for more than two thousand Japanese killed.

Eastern Anhwei was another minor war theater as Japanese forces in this area, totalling nearly 10,000, launched a drive on March 2 in several columns against Chinese troops concentrated at Koho, according to a Chinese military spokesman at his press conference in Chungking on March 12. The city was abandoned the following day by the Chinese forces, who withdrew into the Tung Huang mountains southwest of the city. As the Japanese forces continued to advance westward to attack in the vincity of Huang Chi, the Chinese sent a column southward to attack their base at Chaohsien, at the same time recapturing Koho on March 4.

Their wholesale withdrawal from the south China coast having just been ended, the Japanese naval authorites on March 15 announced another extention of their naval blockade of the China coast to include Haitan Straits, off the coast of Fukien Province, effective from the night of March 16. The extended blockaded area, according to **Domei**, will stretch southward from Black Point, south of the mouth of the Min River, to the Tsiao Promotory at the northern extremity of Haitan Island, to cape Haitan, at the southern tip of the Island, ending at Quail Island. It will be recalled that a previous **China Press** report on March 15 stated that shipping between Shanghai and Chekiang ports has been cut again as the result of Japanese naval authorites seizing and detaining vessels outside Tinghai.

Much interest and skepticism has been attached to a **Domei** report emenating from Nanking stating that the Nanking puppet Government now possesses a military force of 10 divisions, five independent brigades, three independent regiments and the First Group Army totalling 30,000 men, under the command of Gen. Li Chang-kang.

Chinese air forces apparently have gained renewed vigor recently as sporadic bombing raids against the Japanese garrison positions were constantly reported from various war zones. On March 8, another Chinese air maneuver was reported by the official **Central Daily News** to have been staged over Yulin Harbor of Hainan Island, where a concentration of Japanese warships was lying. The Japanese admitted that aircraft of unestablished identity attacked the harbor but have not revealed the losses.

The first air raid alarm of the year was heard in Chungking on March 14 when a fleet of 31 Japanese airplanes raided Chengtu, provincial capital of Szechuan. Six Japanese airplanes were reported to have been shot down by Chinese pursuit planes. Four of them fell in the vicinity of Chengtu. Two others were seriously damaged and later crashed near Wanhsien, eastern Szechuan. No planes, however, were seen over the wartime capital.

The Japanese reports, of the same air battle over Chengtu claimed that the Japanese aircraft had shot down 21 Chinese pursuit aircraft, while four grounded airplanes were damaged. On March 13, nine Japanese planes bombed Patung, west of Ichang, while another 11 Japanese planes attacked Enshih later on the same day, dropping 20 bombs to destroy a dozen houses and cause slight casualties, stated the official Chungking announcement.

Kunming, the provincial capital of Yunnan, was again the target of Japanese bombing on March 9 and 10. Bombs were reported to have dropped both on the outskirts and on the residential distrial. The material damage caused was slight, however, reported **Kuo Min** from the bombed city. Aside from the reported bombardments, the Japanese planes, according to **Domei**, were also active over the North and East Rivers of Kwangtung Province, Tingcfow along the Chekiang-Kiangsi Railway east of Nanchang and areas in souht Shansi.

Foreigners Naturalized in Japan

Two foreigners, both married to Japanese women, were naturalized as Japanese on Feb. 27. They were R. J. Inglatt, 70, who went to Japan in 1896 and taught English at various schools. He is married to a Japanese woman and has three sons and two daughters. The other was A. P. Neary, 31, also married to a Japanese woman. He was born in Yokohama and after graduation from St. Joseph's College went to the United States and studied at the University of Dayton. He is connected with a business house in Yokohama.

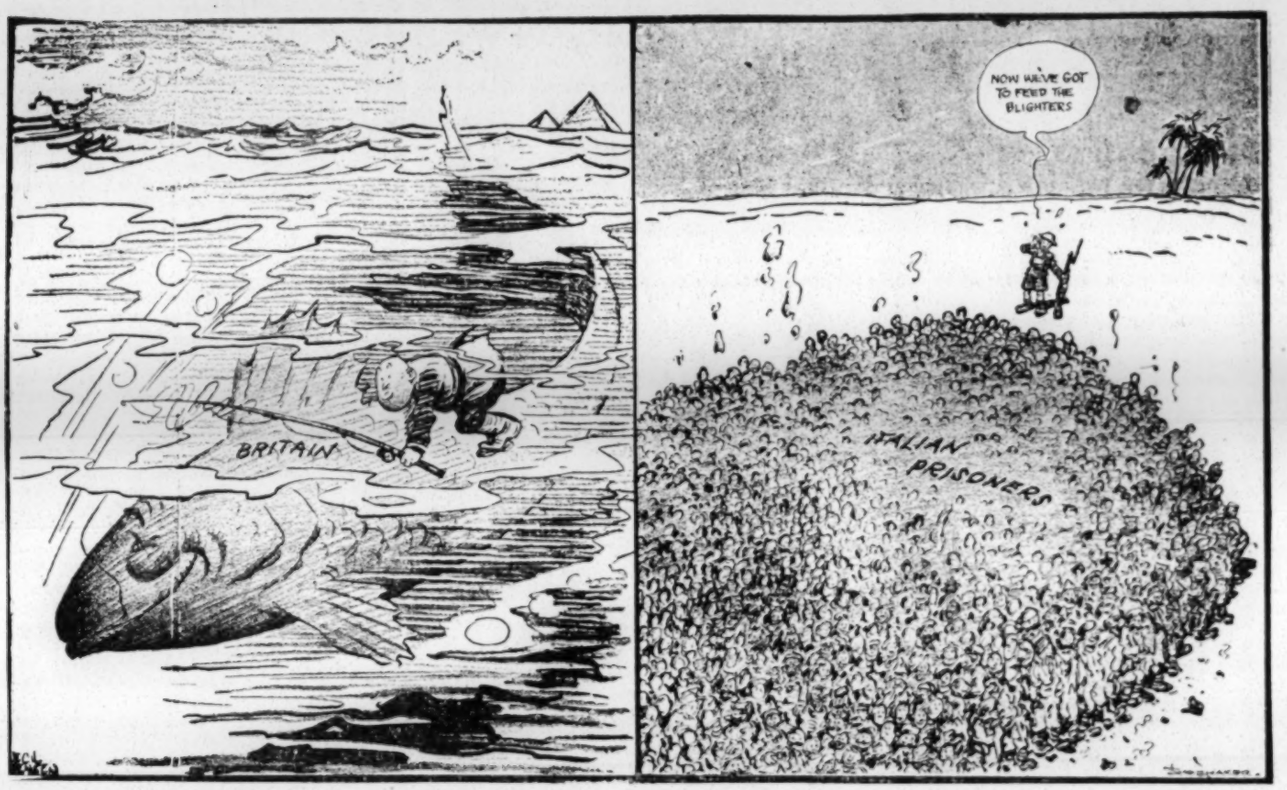
U.S. States No Delay In Gauss Arrival

Mr. Cordell Hull, U. S. Secretary of State, in a statement issued March 11 disclaimed knowledge of reports that there was a delay in the transfer of the U. S. Ambassador to Chungking and the Minister to Australia. Previously it had been rumored that Mr. Nelson T. Johnson would not leave Chungking for the next two months, as it was expected that Hitler would be most likely to attempt an invasion of England during that period and therefore cause a crises in the Orient.

Two days later Mr. Hull stated that Mr. Johnson could leave Chungking whenever he wished, and that he had no information as to Mr. Johnson's plans for leaving. Mr. Clarence E. Gauss, American Minister to Australia, and Mr. Johnson's successor as Ambassador to Chungking will proceed to China per schedule, and Mr. Johnson, who has been appointed Minister to Australia, will proceed to Australia per schedule, it was later reported.

"Mediterranean Cruise"

"Maybe It's New Axis Strategy"



The Chicago Daily News

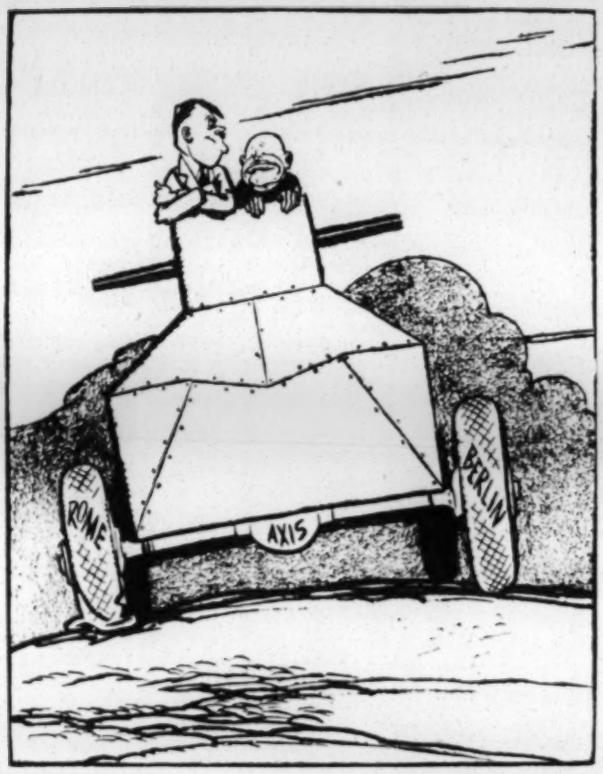
"It's No Use Adolf ....."

"Political Unity In U. S. A."

—YOU'RE STILL FUNNY!
HOW STRANGELY REMOTE OUR POLITICAL DIFFERENCES SEEM, HARRY
I WAS THINKING THE SAME THING, WENDELL
MENACE OF NAZISM

The Chicago Daily News

Adolf: "Get Out Musso"



Augusta, Georgia Chronicle

"We Have An Understanding"

Elderman in Washington Post

More Dangerous in a Single Hand

Chicago Daily News.

Hands Across the Sea

Christian Science Monitor

Text of F.D.R's Personal Greetings to the Generalissimo

SPECIAL CORRESPONDENCE

Barely two hours after his arrival in Chungking on February 7, Dr. Lauchlin Currie, administrative assistant to President Roosevelt, called on Generalissimo Chiang Kai-shek. To him he presented President Roosevelt's personal letter of greetings. It read:

"Dear General Chiang:

"I am delighted to be able to avail myself of the opportunity afforded by the departure of one of my aides, Dr. Lauchlin Currie, for Chungking to extend to you my personal greeting and offer my best wishes for your health and happiness. May I assure you my deep and continuing interest in China and her problems.

"Sincerely yours,

Fanklin Delano Roosevelt"

(signed)

Perhaps no other mission has ever drawn such great interest and speculation in the Pacific in recent years as Dr. Currie's; at 39, he was probably the youngest envoy from a foreign country that has been accorded such welcome, hospitality and collaboration by the Chinese Government. Made at the invitation of that government, President Roosevelt's special envoy's mission was "to secure first-hand information on the general economic situation in China, and to consult with the Chinese Government on matters pertaining to this situation." He was accompanied by Mr. Emile Despres, senior economist in the Division of Research and Statistics of the Board of Governors of the Federal Reserve System.

It was a flying visit to interior China in more ways than one. Ever since his arrival in Chungking, Dr. Currie had no moment of rest. First there was paying and receiving calls; it is estimated that during his three week sojourn here, he shook hands and talked with over a thousand persons, including all the high-ranking Chinese government officials, bankers, industrialists, educators, and American-returned students. Among those who caled on him was Mr. K. P. Chen, an old friend, who was chiefly responsible for the securing of U.S.$25,000,000 American credit to China last year. Dr. Currie put himself up in Dr. T. V. Soong's newly-completed villa which overlooks the meandering Chialing River.

"As Much as Possible"

When he alighted from the specially-chartered C.N.A.C. airliner from Hongkong, accompanied by Generalissimo Chiang's special representative and was greeted by 100 newspapermen and representatives of high government officials, Dr. Currie said that he intended to see Chungking as much as possible and that he would be pleased to make any side trips. However it was later found out that he was so engrossed with the task entrusted him by President Roosevelt that he made only one public appearance on the birthday anniversary of George Washington; only once was he spotted taking an evening stroll near the Chinese "White House."

Having hurriedly completed his courtesy calls, which culminated in a dinner with Generalissimo Chiang, Dr. Currie plunged right into his work, consisting of conversations and digging into confidential documents and records put at his disposal by the Chinese Government. His fact-finding mission, though primarily pertaining to economics, covered a wide scope, including finance, communications, the San Min Chu I and politics. At least six cabinet ministers and dozens of experts worked with him; some were specially summoned from Chengtu and Hong Kong. There were discussions and conferences, the agenda of which included, naturally, how China best could utilize American financial aid, Burma Road, and the communist issue; Dr. Y. C. Chao, director of the Economic Research Bureau of the Central Bank of China, who was a student of Dr. Currie at Harvard, was chosen as secretary during the meetings.

DR. LAUCHLIN CURRIE

Information Collected

It was learned that among the data collected by the American envoy included figures on China's domestic and foreign loans, revenues and expenditures, taxes, salaries of government officials and educators, mess allowance for the Chinese army, etc.

Because of limited time, Dr. Currie had to obtain all the material he desired within the shortest possible time; for instance he secured the summary of Sun Yat-sen's *Three People's Principles*, specially written for him, in three hours! Just how much and what exactly was gathered during his sojourn in Chungking and Chengtu the public does not and probably never will know.

Dr. Currie was well-liked by the Chinese people not only because of his official title, but also because of his charming personality, sincerity, friendliness and ability; he was more than an economic expert on a special mission; he has been a symbol of American unity and democracy and of America's faith in China and hope for China. He was humorous when necessary. During the tea reception given jointly by the Sino-American Institute of Cultural Relations, the Chungking Harvard Club and the Chinese People's Foreign Relations Association, he said: "Many Chinese students went to America to study economics, now I have come here to study economics, too." Dr. Currie was then talking before 200 American students and it reminded him of a class lecture back at Harvard.

He was obviously sympathetic with China's cause. On the same occasion, the Nova-Scotia-born naturalized - American economist paid tribute to the high morale of the Chinese people at war. He declared that he was greatly impressed with the similarity between the Chinese and American ideals, and hoped that Chinese leaders would bring wider democracy to the people in the country. "I think you are starting in the right place—at the bottom, in the villages." He realized America's responsibilities for the struggle for democracy, and in this connection he added, "I hope we won't disappoint you in your expectations. China asks for so little and we have so much to give."

It may be remarked in passing that the departing U.S. Ambassador Nelson T. Johnson was present when Dr. Currie gave his speech at the George Washington's birthday anniversary celebration. Mr. Johnson in what might have been his unofficial farewell speech noted the progress of

Currie Report Evidently Favorable as F.D.R. Pledges American Support for China Forces

The recent mission to Chungking of Dr. Lauchlin Currie, President Roosevelt's personal envoy, evidently left the American economist favorably impressed with China and its possibilities, judging from the President's affirmation of American support for China in his speech night.

The President, after conferring with Dr. Currie, told the American people in a nationwide radio broadcast that "America has said China shall have our help."

Dr. Currie told newsmen in Washington according to the **United Press**, that he would stand on a statement he made in Chungking that he had faith in China's destiny and that the results of his trip to China might soon be apparent as events unfold.

Dr. Currie's words were in answes to questions regarding identical stories which appeared recently in Tokyo's vernacular press which said Dr. Currie's report to President Roosevelt would be pessimistic regarding China.

The report, said the vernaculars, would inform the President that the Chungking regime was dictatorial rather than Democratic.

Dr. Currie told the **United Press** that he could not comment further but that he would stand on the statement made upon his departure from China recently. At that time he was quoted as having said "I leave with my faith in the greatness of China's destiny confirmed."

Dr. Currie said he had already conferred once with President Roosevelt, regarding his trip to Chungking, but had not completed his report and would see the President again soon.

Asked what would be the nature of the completed report Dr. Currie replied that he could not divulge it publicly but that the result might be seen in action as events unfolded.

Mr. Henry Morgenthau Jr., Secretary of the treasury, said Dr. Currie had conferred with him almost immediately after returning from China.

Asked what the prospects were of sending planes and other materials to China Mr. Morgenthau replied that Dr. Currie only returned Wednesday and therefore the press should wait until he had finished his report.

Dr. Currie's mission was described by a high Government official as comparable with the trip to London by Mr. Harry Hopkins.

Mr. Hopkins, former Secretary of Commerce, acted as the President's personal envoy in a special investigation tour of Britain.

The high official implied that the first purpose of Dr. Currie and Mr. Hopkins was to inform the President personally and directly regarding the nature of asistance which each Government needed. Then, upon conclusion of their reports, they would help direct the arrangements for the aid.

The Government source in no way assured, however, that any large volume of aid would immediately be forthcoming for China. He declined to comment on this point. Other quarters, however, still maintained the impression that such aid would be limited at least for many weeks until Britain's safety was assured.

The opinion was still general here that China's security at present was greater than that of England, although England's victory was the key to a Chinese triumph.

Meanwhile, in Chungking, Government officials regarded Tokyo press reports of an alleged unfavorable report presented by Dr. Currie to President Roosevelt on his mission as pure Japanese propaganda and therefore unworthy of denial.

The fact that Dr. Currie prior to leaving for America stated his faith in China refuted the Japanese allegations that he regarded Chungking undemocratic, the officials said.

Meanwhile, **Domei**, in a Washington dispatch inferred from a Roosevelt statement that the United States government would not mind if Generalissimo Chiang Kai-shek use arms obtained from America against the Chinese Communists.

Asked if the sending of arms to China involves any question as to whom the Chungking regime might use the arms against, the President replied in the negative, **Domei** reported.

China in the past thirty years. "Although I am leaving," he said, "I am taking China away with me—in my heart."

"But you must come back," interrupted Dr. H. H. Kung.

Whereupon Mr. Johnson replied: "You took the words right out of my mouth, Dr. Kung. I intend to come back."

Visit Significant

The significance of Dr. Currie's visit to China should not be underestimated. Ever since the Pacific countries knew of his impending trip, the press in Shanghai, Hongkong, Manila and Chungking started to show unusual interest, editorialized and speculated on the effects of the mission. When he finally reached China's wartime capital, the news relegated the Sino-Japanese war accounts which usually occupy the first column on the front page of the local press. The arrival of President Roosevelt's special envoy was "hotter" than the Chinese victory in south Honan.

In Chungking, the official *Central Daily News* editorialized: "Dr. Currie's visit to China is part of the United States' policy of acquainting itself with the difficulties and urgent needs of democracies resisting aggression so that Washington may give timely assistance....Sino-American relations have never been so close as they are now. We have a common enemy and a common responsibility."

The *People's Journal* remarked that Dr. Currie's fact-finding mission was practically equivalent to President Roosevelt's personal scrutiny of the Far Eastern front, since Dr. Currie was a close administrative aid of the President.

The carefully-edited liberal paper *Ta Kung Pao* revealed that certain other friendly powers will follow America's example by despatching similar economic missions to China. In a signed article appearing in the *Sao Tang Pao*, Professor Chang Chung-fu, an authority on international affairs, pointed out the significance of Dr. Currie's mission because "the time is now ripe for the United States to struggle for her own future in face of the increasing menace of aggression" and because "America's entry into the war will be determined this year."

Western Area Police Take Over Duties

The new Special Joint Police Force took over Shanghai's western district Monday, but, despite the promises of Mr. C. C. Pan, the commissioner, gambling continued to flourish in the "badlands."

Meanwhile, despite an alleged permanent ban on gambling in Nantao, the old Chinese city, dice games began to reopen and business was reported flourishing.

As the new Western Area Police began their duties, Shanghai Municipal and City Government police withdrew from the area.

No ceremony marked the taking over of the district and Chinese members of the Shanghai Municipal and City Government police, transferred to the new force, changed into new uniforms and were marched off to their new duties.

An advertisement for the district's biggest gambling house continued to appear in the Nanking Government press.

Although details were not printed, the name of the establishment, the Chateau International or Lu Kuo Fan Dien, was clearly advertised together with the six newly opened establishments in Nantao which are called "tea houses." It was learned that an order was recently issued by local Chinese authorities to close all gambling houses in the native city.

Orders for the strict suppression of all unlawful enterprises such as gambling and sale of narcotics in the western areas of Shanghai were issued Tuesday by Mayor Chen Kung-po to Mr. Pan.

Formosan Aborigines Stage Uprising

A serious uprising of Formosans (described as aborigines) occurred on March 9 and 10 in Taito, an interior province of the island, according to **United Press.** The natives apparently were armed as a Japanese policeman was shot and killed, another Japanese policeman and two members of his family were seriously wounded. The eight year old son of a native guard also was killed. The official report of the Japanese Governor-General stated that the culprits were members of an aboriginal tribe that had resisted after being ordered to move to a new location by the Japanese authorities. The Japanese have sent a force to the district, but have not yet apprehended the rebels.

Catholic Bishop Backs Free China

Dr. Paul Yu Pin, Roman Catholic Bishop of Nanking, who was forced to leave the Chinese capital, when the Japanese occupied the city in 1937, declared in a recent interview at Chungking that 350,000 Chinese Catholics would continue to support China's campaign of resistance and national reconstruction with the same vigor and enthusiasm in the future as they had in the past four years. He declared that the maintenance of national unity was a vital necessity for the achievement of ultimate victory. He declared that Chinese Catholics are cooperating with the rest of the people in consolidating world peace.

Chungking Circles State Government Will Not Tolerate Disobedience, But No Anti-Red Expedition Seen

Although the Kuomintang-Communist impasse remained following adjournment of the First Session of the Second Term of the National People's Political Council, Chungking informed circles last week belittled any danger of the Government finally resorting to punitive measures. Several important meetings, meanwhile, were reported to have been held in the auxiliary capital on March 12 and 16 respectively.

After reiterating that the Government's disbandment of the New 4th Army was a matter of military discipline, Chungking informed quarters, as quoted by *Reuter*, said that in the interests of national unity, the Chinese Government would not launch a punitive expedition again the Communist forces, but at the same time would not tolerate any further military or political penetration by the Communists. These same quarters predicted that unless the Communists changed their policy, friction would continue, but not sufficiently, however to upset China's program of resistance, as the Central Government was fully capable of handling the situation and had the support of the nation and other political parties.

Japanese press reports alleging that Mr. Mao Tse-tung, well-known Communist leader, had gone on a visit to Moscow to negotiate a secret pact on behalf of the Chinese Communist party, were ridiculed in Chungking, according to *Kuo Min*. It was poin ted out that Mr. Mao had never left China since the Sino-Japanese undeclared war started in July, 1937.

Gen. Chiang's Appeal

March 12, the 16th anniversary of the death of Dr. Sun Yat-sen and the second anniversary of the inauguration of the National Spiritual Mobilization Movement, was celebrated boisterously throughout Free China. The white, blue and red colors of the National flag were flaunted, speeches delivered, and mass meetings were held in different localities.

Speaking over the radio on the two significant occasions of March 12, Generalissimo Chiang Kai-shek, President of the Military Affairs Commission, urged the Chinese people to unite and become a single, integral fighting body, to transform the country into a free and independent nation, reported *Kuo Min* from Chungking.

Expressing satisfaction with the *morale* manifested by the people residing in the occupied areas and in foreign countries, General Chiang urged them to redouble their efforts at national reconstruction in accordance with the *San Min Chu-I* (Three People's Principles).

General Chiang then drew attention to three points, as follows:—

Firstly, he said, both civilians and officials must obey orders and observe discipline. The nation must lead a collective war-time life and become a single and indivisible fighting body.

Culture Also Stressed

Secondly, General Chiang stressed the importance of the scientific spirit. The nation's defences, he said, must be built on scientific methods, and the industrialization plans formulated by the late Dr. Sun Yat-sen should be carried out by scientific means. Military strategy should be improved by utilization of modern scientific methods, so as to facilitate the work of national defense.

Thirdly, General Chiang drew attention to the importance of modernizing China's national life. Music and physical cluture, he said, should be popularized.

In conclusion, General Chiang said, "Every one should bear in mind that the aim of all our efforts and all our sacrifices is to create a free and independent China. This year is particularly important. We must work especially hard in order to fulfil our Revolutionary mission"

Reconstruction Program

Of considerable significance in China's rural reconstruction program was the convening of the National Agricultural and Afforestation Administrative Conference which was opened formally in Chungking on March 12 under the chairmanship of General Chen Chi-tang, Minister of Agriculture and Afforestation. The opening ceremony was reported by *Kuo Min* to have been attended by more than 200 officials, including representatives of the various ministries concerned and the various provincial Departments of Reconstruction.

The drafting of a three-year agricultural program, taking into consideration wartime needs and post-war reconstruction, was reported by *Havas* to be the main item on the agenda of the conference. In his inaugural address, General Chen Chi-tang emphasized his administration's intention to promote reafforestation and to achieve self-sufficiency in supplies of food and clothing material for the entire nation. General Chen admitted that the war had affected the nation's agricultural resources to a great extent, but expressed confidence that, with proper development of the rich agricultural resources behind the rear lines, agricultural self-sufficiency would no longer prove a problem. Close attention, it was indicated, would be paid to increasing production and improving the quality of agricultural products in order to promote exports, and thus obtain foreign currency.

Dr. H. H. Kung, Vice-President of the Executive Yuan and Minister of Finance, and Dr. Oong Wen-hao, Minister of Economic Affairs, were also speakers at the opening ceremony. Dr. Kung urged agriculturists attending the conference to pay more attention to the survey of soil, the selection of seeds, irrigation, rehabilitation of rural economy, the development of agricultural transportation, and the promotion of rural cooperative enterprises.

Meeting of People's Council

President Lin Sen (left) and Gen. Chiang Kai-shek addressing the People's Political Council, which convened in Chungking on March 1. Despite the difficulty of traveling to Chungking under present conditions, the opening session of the Council was attended by 193 out of a total membership of 237.—Thomas Kwang Photos.

Press Association Formed

Marking the first nation-wide organization ever created in the history of modern Chinese journalism, the inaugural meeting of the newly-formed Chinese National Press Association was held on March 16 in Chungking with the attendance of many prominent Chinese government officials and well-known journalists. Representatives of the press associations in different localities attending the inaugural meeting were reported to have included Hongkong, Kwangtung, Fukien and Kweichow.

Congratulatory telegrams were received from Gen. Chiang Kai-shek and other high Chinese officials, as well as sympathizers throughout Free China, Shanghai and Hongkong.

I.N.S. Transfers Downs to Japan

A. E. Downs, formerly representative for International News Service in Shanghai, has been transferred to Japan. Frank Hewlett and Mrs. Hewlett, formerly connected with the **Japan Advertiser**, Tokyo, have arrived in Shanghai and are residing at the American Club. Dennis McEvoy, special correspondent for **Chicago Times** and **Readers Digest**, departed from San Francisco on March 14 for a trip through the Orient.

Maintenance of National Unity and Progress Towards Democracy Declared Vital to China's Defense Aims

No questions are more vital to the success of China's defense against aggression than the maintenance of her national unity and continuance of her progress towards democracy, declared Dr. Frank W. Price, head of the rural extension department of the Nanking Theological Seminary in Chengtu, in a broadcast from Chungking recently.

Dr. Price was permitted absolute freedom to discuss his own impressions and convictions in the broadcast, which was given additional importance by the fact that it was specially arranged for the benefit of Dr. Lauchlin Currie, President Roosevelt's "personal envoy" to China and well-known American financial expert, on the eve of his departture from Chungking for the United States. Special reference to Dr. Currie was believed to have been made by Dr. Price when at the outset he stressed that no two questions than those above were giving more concern to thoughtful leaders in China or to friends of China abroad.

Alarming reports had been circulated in the United States and other countries about the danger of civil strife in China, specially since the Central Government, on January 17, ordered disbandment of the New Fourth Army for disbedience of military orders, said Dr. Price. This action was the culmination of a long period of friction between the central authorities and the communist military forces. Future developments would depend upon wise statesmanship in Chungking and the willingness of the communist group to obey the central military command.

The communist version magnified the clashes in January when the New Fourth communist army delayed its march from the lower Yangtze region northward as ordered by the central government, Dr. Price declared. The communists said they had been attacked while withdrawing, complained of unfair treatment, asked for restoration of the **status quo** and wanted the national army commanders involved in the disbandment punished. They also renewed their appeal for greater democratization of government policies and methods.

The Central Government said that it had no intention of wiping out the commuis armies or suppressing the communist party. The communist paper in Chungking was still being published and communist leaders were free. But the government must insist upon military discipline in wartime. The government position had three aspects—military, political and international. Military—all armies must be under a central command. Political—the cooperation of the Chinese communist party in the united political front is still desired. International—this is an internal problem and does not affect China's foreign relations with the Soviet Union or any other friendly nation.

Communist Pledges

"For many years, as you know, there was a struggle betwen the National Government at Nanking and the red armies in central China which set up the Chinese Soviet Provisional Government. The passions aroused on both sides by that struggle have not wholly died down. In the face of Japanese aggresion the 'United Front' was formed. The basis of this were the proposals and declarations of the Chinese Communist Party in 1937. The name 'Chinese Soviet Government' was voluntarily given up. Instead, a 'Special Area Government' under the control of the National Government and National Military Council was established. The Communist Party promised to cease all subversive activities designed to overthrow the National Government; to discontinue the policy of land confiscation; to fight for the realization of Dr. Sun Yat-sen's revolutionary principles and to cooperate fully in the war of liberation.

"The 8th Route Army (incorporated into the national forces as the 18th Group Army) was composed of three divisions (about 45,000 men) and assigned to the Second war area in north China. Later, remnants of the former communist army were organized into the New Fourth Army with a strength of about 10,000 men, and assigned to guerilla warfare in the Nanking and Wuhu areas. As long as the communist armies obeyed the orders of the central command, kept within their assigned areas and carried on active guerilla warfare against the Japanese, there was little trouble. But when the armies expanded beyond their allotted strength; filtered into the areas of other Chinese armies; left their own garrison posts; set up separate local administrations and collected taxes not authorized by the central authorities; used military funds for their own political propaganda and program; obstructed the effort of the central command to inspect commmunist troops, and came into conflict with regular army units, the situation became more difficult.

"Generalissimo Chiang exercised great patience with the more radical communists and the more conservative men in the national government and armies. Finally he decided that stern action was necessary to enforce military discipline, preserve administrative solidarity and prevent an increase of local clashes between Chinese army units. The first order to the New Fourth Army to move north of the Yellow River was given as far back as October 19 of last year. The government has felt that counter-demands and delays in carrying out its commands were evidence of military insubordination. Communication plans to set up a separate political adminstration in the occupied areas of east China were not favored. And so, before the slow withdrawal was completed, the portion of the Army south of the Yangtze River was disarmed and the forces north of the River were ordered to be disbanded. The problem is more complex than most people realize because all of this happened in territories penetrated by the Japnesae invaders and not fully under National Government control.

Chiang Attends Red Army Celebration

Generalissimo Chiang Kai-shek photographed with the staff of the Soviet Embassy in Chungking, as he was departing from the Embassy after attending a reception in celebration of the Russian Red Army anniversary on Feb. 23, 1941.—Thomas Kwang Photos.

U.S. Sympathy for Reds

"The sympathy of many Americans for the communist party and communist armies in China is a peculiar phenomenon, specially since most of them have little interest in or sympathy for the communist program in their own country or in Europe. This phenomenon is due in part to the free publicity given the Chinese communists by Edgar Snow and others—praising their political organization, their simple living, their mobilization of the masses and their methods of guerilla warfare. I know Edgar Snow and I admire his abilities as a writer, but I feel he has done China a real disservice at this time by showing only one said of the picture. The fact is that the communist treatment of the people is not the same everywhere. I have recently received letters from American friends in Hopei and in Kiangsu who tell stories of communist violence and oppression. Other friends abroad take the side of the Chinese communists because they think they are the only socially progressive group in this country who will work for needed reforms in political and economic life; any criticism of the communists is to them evidence of persistent feudalism and reactionary political thought.

The communist party and army promised allegiance to the National Government. The communist party does yet have a legal status. All minor parties are being given **de facto** recognition until China's new constitution, already drafted, is finally adopted by a People's Assembly and promulgated. The plans for this Assembly were interrupted by the Japanese invasion but the Assembly will be held as soon as travel conditions in China permit. The communist party claims 600,000 members as compared with the 1,700,000 of the Kuomintang in power, but the area occupied by the communist military forces is not 5 per cent of that under direct National Government administration. The effective military strength of the communist army is variously estimated at 2 to 4 per cent of the total military forces. The communists, if they want to give up the common struggle against Japan, can stage an insurrection. The communists, if they are insincere can try to sabotage the efforts of the National Government or maneuver themselves into a position from which they can bargain with the National Government when the war is over. But the wise leaders of the communists want, I believe, neither to revolt nor to sabotage.

"The situation is less tense than it was a few weeks ago and there is much greater hope now of an agreement for the period of the war. After the war the communist party will be one of sev-

(Continued on Page 98)

Wang Ching-wei's Bodyguard Wounded, Nanking Official Killed, as Shanghai Terrorism Continues

Sole sufferers from political terrorism in Shanghai during the past week were supporters of the Nanking regime. Wang Ching-wei's reputed "captain of bodyguards" was seriously wounded and the Director of the Consolidated Tax Bureau for Chekiang and Kiangsu was killed.

Mr. Shen Ming, the tax bureau official, fell victim to a gang of five or six armed gunmen who lurked about the entrance to the lane on which he lives off Yu Yuen Road. When his car started for his offices in the International Settlement, they sprayed it with bullets, wounding him in the head and chest. He died before reaching a hospital.

The other shooting, in which Mr. Pan Tse-tung, an official of Nanking's "Gestapo" at 76 Jessfield Road and said to be the chief of the corps protecting the life of Wang Ching-wei, was seriously wounded, occurred on Avenue Road, in the International Settlement.

Displaying unusual fortitude, he first ordered the ricksha-puller to take him to the nearby Sinza Police Station, where he reported the affair. He attempted to minimize the seriousness of his wounds but police rushed him to the Paulun Hospital, where it was found that a bullet had lodged in his neck. Despite the loss of considerable blood, physicians said that he has a good chance to recover.

The attack on Mr. Pan ended the 10 day lull in Shanghai political assassination attempts.

Over in the French Concession an attempt was made on the life of Mr. Chang Yang-hsang, an accountant in the Chinese Maritime Customs, who later insisted to police that he had no political dealings in Shanghai and had no known enemies, political or private. However, he was shot at the front doorstep of his own house by two gunmen who rang his doorbell and told his servant that they wished to see him. They said that they were friends of the family, but when Mr. Chang came to the door one of the would-be assassins whipped out a revolver and fired three times point blank at his victim. Mr. Chang fell to the flow, feigning death but in actuality he was only wounded in the right leg. The gunmen, believing their attack to be a success, then fled.

Two Murders

Meanwhile, the French authorities in a public statement called attention to the fact that there had been only two murders committed in the Concession during the month of February. Also they pointed out that no kidnappings had succeeded as compared with three successful abductions in January. Also armed robberies had decreased to 27 as compared with 33 in January and 45 during December.

The French police authorities attributed part of their success in combatting crime and terrorism to the new moveable barbed-wire barricades which they place across strategic roads connecting the International Settlement with the French Concession when a crime has been committed.

Armed robberies continued with the burglars carying many sorts of strange weapons. A trio entered the modest curio store of Zeng, a 63-year-old dealer, on Rue Brenier de Montmorand. One was armed with a pistol. He fired two shots with this weapon but the aged man, with his son and grandson, succeeded in holding him until police arrived on the scene. Both the grandfather and his son were slightly wounded. The two accomplices of the robber, one armed with a kitchen knife and the other with a hammer, made good their escape.

In the Japanese-controlled Hongkew district a Chinese youth was beaten to death by Japanese sentries last Friday, an eye-witness told local newspapermen.

This eye-witness asserted that he saw a young Chinese of the coolie class running away from six Japanese sentries along Pingliang Road. The hunted man turned into a blind alley and soon found himself trapped by his pursuers. They beat him with the butts of their guns until he fell to the ground. Here he lay while they kicked the last breath of life out of him, this eye-witness reported.

This report, however, has been categorically denied by a Japanese military spokesman.

Chinese Executed

A Japanese report from Peiping this week told of the execution of the two Chinese convicted by a Japanese tribunal of assassinating two Japanese Army officers on December 29.

Ma King-ho and Yu were executed for the killing of Lieutenant Colonels Etsuro Norikane and Tamotsu Takazuki, both of whom had been attached to the Japanese forces in North China.

On Sunday, the Garden Bridge, which separates Japanese-controlled sections of the International Settlement from the rest of the settlement area was the scene of a strange reversal of the usual procedure there. A Japanese, Mr. F. Noguchi, claims that he was stabbed by a member of the American Company, Shanghai Volunteer Corps.

Mr. Noguchi, who is an employee of the Chinese Maritime Customs, was cut in the neck and sustained a few minor scratches about the ear, he said.

The American Company was on sentry duty at the bridge, as usual patrolling a few paces from the Japanese sentries. Lieutenant Colonel H. Mann, commandant of the S.V.C., said that the sentry had not been detained and that the incident was "only a minor affair." It was understood that Mr. Noguchi had refused to obey the sentry's order and consequently came into too close proximity to his bayonet.

An important forward step in clamping down on the lucrative kidnaping racket in Shanghai occurred when 23 gangsters, including two girl guides, faced the Chinese First Special District Court last Thursday charged with attempting to abduct Mr. Pien Zung-wei, a Chinese millionaire in the dye business.

The first six members of this gang were caught by a ruse perpetrated by the French police authorities. One of their detectives was driving the millionaire's car at the time of the kidnapping attempt. This had been arranged from a tip-off.

Information from these six gangsters resulted in the arrests of the other member of the outlaw band. The Japanese gendarmes cooperated in this arrest and at the same time released Mr. Yao Tek-sin, manager of the Land Bank. He had been abducted on March 6.

Yang, the leader of the kidnapers, admitted that he planned to hold Mr. Pien for $1,500,000 ransom. He said that his investigators had discovered that the banker owned property worth $50,000,000.

Three Face Court

Another gang of three kidnapers faced the First Special District Court on Monday. They had been arrested in Fah Wha village for the abduction of Mr. Wang Tso-Ziang, proprietor of the Fu Shing Dyestuff Hong on Avenue Foch. They had seized their victim on January 6 while he was driving along Avenue Foch with his son and another relative in his private car.

One of the kidnapers wore a police uniform, but without any number. Misled by the uniform, the chauffeur obeyed an order to stop the car. He was immediately ejected along with Mr. Wang's two passengers. The gangsters then drove their victim to Fah Wha village.

Another gang of five kidnapers received sentences totaling 46½ years in the First Special District Court Thursday for the kidnaping of two prominent local Chinese, Dr. Sung Chung-fang and Mr. Sung Ching-chow, the manager of the Nee Tai Shing Coal Company.

This gang was said to have obtained more than $1,500,000 from the families of their victims. Their leader, Woo Tseng-kiao, received the heaviest sentence, 15 years.

Gambling received a set-back Thursday when Koo Hai-dau, partner in the "Portuguese Commercial Enterprise," surrendered to police and told them that he had paid $50,000 to Mr. Jose Maria Botelho for a partnership in what he though was a "commercial enterprise." He said that he had no idea that Mr. Botelho would engage in a gambling business. Two months ago the French Concession police raided the gambling den which was located at 982 Avenue Foch. They found a luxuriously decorated apartment equipped with a roulette wheel and other gambline devices as well as stocks of opium and pipes in rooms especially designed for smoking.

Koo was brought before the First Special District Court on Friday.

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Ford's "Blitz" Cars to Help N. E. I. Fight Aggressors

The Ford Motor Car Company at Detroit has signed a contract with the Netherlands authorities to build several hundred "Blitz" cars for use by the Netherlands East Indies in fighting aggressors. The new cars, specially adapted to conditions prevailing in the Orient where roads are narrow and scarce and often in bad condition, have created a sensation in military circles as they will replace motorcycles and sidecars.

The new cars will be manufactured in the home plant at Dearborn and in the Canadian plant and, in view of recent developments, sales will be restricted to the Democracies. The new cars, known as midget reconnaissance trucks and designed to replace both motorcycles and sidecars, already have been adopted by the U. S. Army and also will be manufactured for the Canadian Army. The midgets are only 38-in. high at the cowl and the windshield folds down to 40-in. Length is only 81-in., or less than 7-ft, while the tread is 47½-in. or slightly under 4-ft. They have a speed of 60-miles maximum, and 40 miles cross-country, have four-wheel drive in combination with a six-speed transmission, which provides maximum maneuverability over all sorts of terrain. Six forward and two reverse speeds are supplied by means of a transmission which is equipped with an auxiliary speed range. A lever is supplied to cut the front wheel drive in or out as needed.

The midget weighs about a ton and will carry in excess of 1,000 pounds and is powered by the four-cylinder tractor engine, which has been modified to supply 42 hp. According to report in *Business Week*, the U. S. Army has ordered 30,000 from Ford, American Bantam and Willys. Ford of Canada will manufacture for the Canadian Army.

The Midgets are the latest word in Army mechanical equipment, will carry a three-man crew, an all-angle machine-gun to repel air attack and a sub-machine gun. If desired it can be used for hurry-up troop transport, although not equipped for attack purposes. They can be carried in cargo holds of troop transports, can be used on narrow roads and in recent U.S. tests were carried by transport planes.

The new Midget truck can do 60 miles an hour and will replace motorcycles and sidecars—also it can be carried by air-transports.

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Japanese Seize Goods Worth US$12 Million

American goods valued at US$12,000,000, which were intended for Chungking were seized by Japanese Military authorities in Haiphong last year where they were stored. American officials stated that the goods must be considered as lost, in a statement issued March 11. Also lost were Chinese goods worth about $200,000,000.

Mr. Charles S. Read, III, American Consul-General, last year made an attempt to persuade the Japanese to release both the American and Chinese goods, but virtually no progress was made. The French are now willing to release the goods, but the Japanese refuse to allow such action, although they earlier promised to give up part of the goods, concluded a report from Saigon.

Also detained by the Japanese, is a cargo of goods valued at $1,000,000, which they seized at Shangchiu, the first of January. This consignment, destined for areas under the control of the Chungking Government, consisted of bristles, piecegoods, cosmetics, oil, sacks, towels, kerosene, medicine, bicycle parts, paper, soaps, fur, bed sheets, matches, candles, and coal. Previously Shangchiu, on the Lunghai Railway, was a distributing points for goods consigand to various sections of Free China.

Thyssen Returned To Germany

Dr. Fritz Thyssen, will-known German industrialist and one of Hitler's orignal backers, was one of a group of political refugees recntly handed over to Germany by the Vichy Government, according to a Reuter report. He is reported to have been transferred from Cannes to a German "sanatorium."

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SECURITY BANKNOTE COMPANY	Currency and Security Forms.
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Shanghai Declared Faced with "Total Blackout" Unless Public "Voluntarily" Reduces Consumption of Power

There were two alternatives in a Shanghai power shortage which, speaking to a special gathering of press representatives on Monday morning, Mr. P. S. Hopkins, President of the Shanghai Power Company, described as "serious but not alarming."

The two alternatives were reported by the *Shanghai Times* as:

1. A total blackout, which all responsible for this vital utility are loath to think about.
2. Intelligent economy of power consumption through voluntary co-operation of every person in the International Settlement.

In a careful and comprehensive analysis in which he attributed the shortage of fuel, which has precipitated a serious power question here, to the European war, Mr. Hopkins put the issue to the public.

He expressed a sincere desire to keep the people fully informed, and pleaded for unanimous co-operation in a war-time spirit; a realization of the gravity of the problem, but no hysteria, and a conscientious effort by everyone to do his bit, the paper continued.

French Company's Stand

Questioned on Monday afternoon, following the recent announcement of drastic restrictions in the French Concession, Mr. J. Favret, Manager of the Compagnie Francaise de Tramways at d'Eclairage Electriques, said that the authorities in the French Concession were considering a press conference, corresponding to that arranged by the Settlement company in the morning, and that it would probably be held in a day or two.

Both companies expressed a desire to keep the public fully informed, saying that in a complete understanding lay the best hope for co-operation in the solution of a difficult, but by no means yet unsurmountable problem.

Respecting figures of relative power usage in the two areas, Mr. Favret said that about half the output of the French plant is used for power, though a relatively small amount, compared to the Settlement figure of 76 per cent. consumed by industry.

Up to Consumers

"The matter is entirely up to the consumers" said Mr. Hopkins in summary. "Every avenue has been explored and is being explored for the relief of the difficulty; nowhere in official circles—London, Washington and Tokyo included—has generous hearing been refused. But our problem is inherent in our geographic position and in a wartime economic crisis. With luck, and especially with the help of every citizen, we believe we can scrape through.

"But the ultimate verdict rests with the public. This is not a commodity we can parcel up and ration; it is a service, and as such our coal lies at the mercy of every user of electricity. Every time a switch is turned the coal consumption of the machines in our plant is automatically regulated to meet the demand. And we are getting only about half the coal that normal requirements call for."

Statistics Explained

While stressing the danger of over-confidence, Mr. Hopkins himself took a guardedly optimistic view. He hoped, he said, and not without reason, that any paralyzing crisis would be averted. But the situation was inherently grave, and it was not a moment too early for every citizen to realize it. The very day the Company became aware that normal shipments could no longer be depended upon, it put the situation to the Shanghai Municipal Council. Interim restrictions were immediately applied. These were "neither scientific nor equitable, "but they served to conserve fuel stocks while a proper solution is being worked out. A general committee was immediately appointed, and now a special group of experts is exploring the question thoroughly. Mr. Hopkins urged that complete confidence be reposed in them.

"It's a simple story," the executive said. "Just a shortage of carriers. If we could get the ships, our position

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would be normal again tomorrow. But there are grave doubts about that, and the power is completely out of our hands."

Intelligent Economy

Normal coal needs of the Shanghai Power Company are at present about 50,000 tons monthly. The total consumption for the year 1914 was 55,000 tons, when the power plant was operated by the Shanghai Municipal Council under the Shanghai Municipal Electricity Department, clearly explains the nature of the difference now and in the last war. Shanghai has grown enormously, especially in an industrial sense. Of the current output, virtually three-quarters goes to industry.

Coal consumption in 1940 was 622,000 tons; in 1939, 653,000 tons and in 1938, 468,000 tons. At present coal stocks on hand amount to 150,000 tons. Average consumption is 50,000 tons monthly, and present dependable receipts 25,000 tons, leaving an anticipated monthly shortage of just half the consumption figure.

Would Last Six Months

At this rate of depletion, the present stocks would be exhausted in six months, and while there are hopes for an improvement in supply, there is on the other hand no security against a deterioration.

Regulation of the available output is obviously a complicated matter, and one that for equitable solution calls for careful study, with the needs of some 80,000 customers to be examined. The policy will be to put the public interest first. To avoid any temptation, the Shanghai Power Company has placed the whole matter of distribution in the hands of the Council, and the committee of experts is now studying a fair allocation. By taking advantage of the situation, the Company might easily have made money, Mr. Hopkins pointed out, since obviously some consumers are more lucrative than others.

Essential services will be considered first. Exceptions will be made, but purely on a basis of the public interest. Every attempt will be made to avoid a breakdown of industry, involving a serious labour problem. Services essential to the general public, such as street lights, communications, sewage, water supply and hospitals, must be given special preference. The Allocation Committee is now engaged in a complete cataloguing of the needs of all consumers.

Could Use More Oil

Asked, when he mentioned that, possibly by circumstance, some success had been experienced recently in securing fuel oil, whether it would be possible to increase the proportion of oil being used, Mr. Hopkins replied in the affirmative. While it means a certain conversation of machinery, this is not a serious matter, and increased supply of oil would be one way out. Here again, however, it is a matter of shipping.

Explaining that the process involves pulverization and blast combustion, Mr. Hopkins said that this prevented resource to Indo-China coal, which is of an anthracitic nature, with low volatile content and a high combustion point, just the reverse of the conditions for which the boilers have been designed.

"Some people, too," continued Mr. Hopkins, "ask why we do not buy up the coal in yards about the city. With the surcharge allowed, we could easily get this coal; we could pay as high as $1,000 a ton. But it would simply mean robbing the city of its normal domestic fuel, and charging the public excessively for it in the form of power rates. We have taken the stand that we will never resort to this source, which, after all, would be infinitesimal."

K.M.A. Supplies Maintained

Mr. Hopkins scouted the opinion that Shanghai's power shortage was due to reduced supplies from North China. The contracted supply of 25,000 tons monthly from the Kailan Mining Administration has been consistently maintained, and the regular quota was allowed when the mining concern was forced to allocate its output. Moreover, there has been no profiteering.

This amount, however, represented only half the normal needs. The other half formerly came from other sources, as Manchuria, Japan and India. Now this quantity all depended on shipping.

No one would profit from the treble rates imposed as a penalty under the interim restriction, under which consumption was limited to 70 per cent. Any surplus over costs would go into pool, and be refunded, Mr. Hopkins assured.

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Of total power consumption in the Settlement, 96 per cent. is supplied the Shanghai Power Company. December coal consumption was 51,349 tons, relatively distributed as follows; street lighting, 377 tons, municipal sewage, etc., 633 tons; Waterworks, Telephone Co., Tram Co., Gas Co., and Omnibus Co., 2,535 tons; lighting, heating, cooking, etc., 9,700 tons; small power, 5,194 tons; bulk supply industrial, 32,910 tons.

Alarm Over Price Increase

Consternation was prevalent among the Chinese populace last week as the prices of commodities, especially rice, rose to unprecedented heights on Tuesday. While No. 1 Saigon rice was sold at $125 in the local market, as against $110 and $120, respectively, on Saturday.

Salt, coal, coal briquettes, soap, matches and certain kinds of clothing material were being sold during the past week at prices from 30 to 40 per cent. higher than the quotations on the market at the beginning of the current month, it was gathered by the *Shanghai Times*.

Coal was being quoted at $270 per ton yesterday, while the price of coal briquettes, which are much used by the Chinese, rose to $11 per picul. It was pointed out that the price of coal briquettes was about 12 times that of the prewar level.

Ordinary washing soap was quoted $44 per box, almost 10 times that of the pre-war level, showing an increase of 40 per cent. over that of the previous month.

According to certain business quarters, the unprecedented rise of prices during the past week was not due to the increase of prices of raw materials but due to hoarding and speculation which are rampant here.

It has been also noted that many of the Chinese depositors have withdrawn large sums from the various banks to be invested in commodity speculation.

The release of a rice merchant arrested last week by the Shanghai Municipal Police, was believed responsible for the tendency of rice prices to rise until the premium on 100 bags of Rangoon rice was quoted at $3,800.

The premium on every 100 bags of Saigon rice sold rose to $3,400. Native rice quotations remained steady, showing a slight tendency to decline.

It was learned in Shanghai that some 50,000 bags of foreign rice were expected to arrive from Indo-China during the week, and it was thought possible that the consignment might force all prices of foreign rice to drop.

It was also learned that certain Chinese had approached the Shanghai and French Municipal Councils with a proposal which purported to be the solution to the rice crisis here. The Councils should themselves buy rice from abroad and import it here in order to sell it, in turn, to rice stores, the proposal requested.

Measures Urged

Commenting on the continued rise of commodity prices in Shanghai, the *Shen Chow Jih Pao (National Herald)* urged authorities there not only to devise measures to stabilize prices, but also to carry out these measures with determination and energy.

Profiteering and hoarding, the paper observed, were certainly the chief causes for the chaotic conditions in the local commodity markets. Suitable measures for the stabilization of prices had been devised from time to time by the local authorities, but because they were not energetically enforced, they had not succeeded in achieving the objectives for which they were intended.

The average wage-earner in Shanghai, the paper continued, was now unable to maintain his family owing to the continued rise of prices. Although the salaries of the local white-collar workers had been slightly increased, the increases were not enough to cope with ever-soaring prices. Prics usually "rise in dollars and fall in cents."

CUSTOMS NOTIFICATION

NO. 1651

Notice is hereby given that, Saturday, the 29th March, 1941, being a Customs Holiday, the Custom House will be closed and the shipment and delivery of cargo suspended on that date.

L. H. LAWFORD,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 18th March, 1941.

ITALIANSCAUGHT IN AFRICA

With the Italian Armed Forces in Africa apparently either badly demoralized or trapped on every front, the British are utilizing their superior position in Africa to an advantage by releasing many men for action in the Balkans.

The recapture of Berbera last week brought the only port in British Somaliland under British control. It is regarded in London as specially significant, *Reuter's* diplomatic correspondent said, that the operation should have been carried out by a joint naval and military force, as this means a new threat to Italian bases at Harar and Diredawa in Abyssinia.

Italy's only remaining channel to the sea from Abyssinia is the route via Asmara and Massowa, apart from the French-controlled line to Djibouti. There is no possibility of reinforcements reaching the sorely tried Italian armies.

The latest news from Keren in Eritrea suggests that British pressure is being intensified and a victory at Keren will lay open the whole of Eritrea. Once the last shreds of Italian resistance have been overpowered the whole Imperial forces in north-east Africa will be available for employment where they can best be utilised.

Meanwhile, Tuesday for the first time London newspapers indirectly said that British convoys had reached Greece. These references to British convoys reaching Greece followed persistent foreign reports all last week that heavy forces of British troops and huge quantities of British war materials had been landed in Greece.

The reports also came on the heels of hints by informed sources in London, according to the *United Press*, that British forces might soon be side by side with the Greeks.

The National Broadcasting Corporation's Istanbul reporter, Mr. Martin Agronsky, Monday informed the United States that "British forces are now entering Turkey." Mr. Agronsky last week broadcast that large bodies of British forces were pouring in Greece.

He added that the arrival of the new British troops into Greece coincided with the landing of considerable war material. He pointed out that the war supplies were landed in such quantity as to indicate that Britain was placing a fully-equipped army on Greek soil.

The radio-reporter also said that the Greeks had formed an entirely new army for the defence of Thrace in collaboration with the British.

Reports were current in Shanghai at mid-week that Soviet Russia had offered Yugoslavia guarantees against aggression. Meanwhile, reports from Belgrade indicated that Germany and Yugoslavia were negotiating a joint friendship pact.

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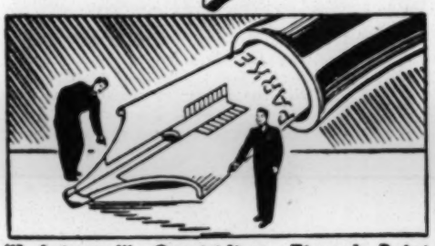

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(Continued from Page 89)

sral parties, and can work for its radical social program as a party under a constitutional form of government.

Government Ability Proven

"The National Government is the established government of China. Between 1927 and 1937 it proved its ability to unite and rule. Since 1937 it has proved its ability to carry on a protracted resistance against a powerful and cruel invader. National leaders today admit weaknesses and the need for improvement and reforms. But a violent revolution from within just now would be fatal. The national government knows this; the communists know it. There are hotheads on both sides but I think wise, moderate opinion will prevail. I am more than ever confident **of this after several days in Chungking,** during which I have had the opportunity to talk with many friends in the government and with members of both the Kuomintang and communist parties. Both groups will respond to public opinion, which is overwhelmingly for a peaceful solution.

"Some writers from abroad who are on the lookout for the sensational enjoy the game of magnifying China's difficulties. Reports of dissension are hot news. But think with me. Who wants dissension in China? China—no! America and England—no! Japan and her Axis allies—yes! So that Japan can be more free to move southward! Wang Ching-wei's puppet government—yes! Do not add to the difficulties of the Chinese government at this serious time by irresponsible criticisms and impossible expectations.

"There is much that is going on here from day to day, no longer sensational but a part of China's steady defense and national progress even under war condititions. Central government authority has been extended over the western provinces. One of the ablest men in China, Chang Chun, is the new governor of Szechwan province. Improvements in the political administration of **hsien** or district governments, the amazing changes in a province like Hunan, efforts toward industrial development and increase of agricultural production, the growth of the industrial cooperatives, the training of more efficient and devoted public servants, the fight against the opium evil the extension of primary and popular education, the building of new roads, the larger relief programme for the wounded, the refugees and the orphans, the unshaken morale under air attacks and the rebuilding upon ruins of bombed cities—these things are no longer news but they are facts, they are part of the picture we must see.

Judge China not by a crisis at any particular moment but by her progress over a period of months and years. During the war China has held back the invader and has also made notable social gains. You can point to weaknesses and evils that do still exist—inefficiency, graft, profiteering, illiteracy, landlordism, friction between government departments, vestiges of feudalism—but some of the most unsparing critics and opponents of these evils are in the Kuomintang and National Government itself. Opinion on public questions will not be stifled. The forces of liberalism are growing.

"When the next session of the Kuomintang Central Executive Committee meets in March there will be debates on government policies and urgent recommendations for reforms within the Party wil be presented. The disatisfactions that you find in Chungking today and not a discouraging but a hopeful sign. The government of China is not becoming a dictatorship. Will China, then, move toward democracy? Every government leader with whom I talk says that she will, as rapidly as war restrictions (such as affect democracy in America and England), the extension of educational facilities, and the setting up of machinery for expressing the popular will, permit. No reactionary politician can hold back this rising tide. No dictator can arise in China who will succed in regimenting and militarizing the Chinese people and making them slaves of the State like the people of Germany and Japan.

Four Years' War Strain

"Four years of hard war have indeed put a strain upon China's economic system. But there is a hopeful side. Prices have risen tenfold, but most farmers, (even tenant farmers) and laborers who represent eighty per cent of the population are better off than before the war. Those hardest hit are the salaried classes. The government is adopting an increasingly drastic attitude toward graft and profiteering. We expect to see land and taxation reforms and severe restrictions upon war profits introduced in the near future. Many more reforms are needed. But go through the cities and towns and countryside of Free China and you will also find far greater security than five years ago; more production; more prosperity; better political administration,—not the "economic chaos" that one visitor recently described or rather imagined.

"When America and England talk to China about democracy they should humbly remind themselves of the limitations in their own democratic system and of their failure as yet to train their colonies—the Philippines and India, for example, in full self-government. China begins her republican era with 150 times the population of the United States in 1789 and with far more complex and difficult social and international problems to solve. Look beneath the surface waves in China and you find steady, strong currents that fill you with hope.

"America has Grapes of Wrath, southcroppers, disfranchised Negroes, New York tenement-dwellers, city bosses—but we know that these are not all of America, the best of America, democratic America. And China today is much more, much greater than the weaknesses you can point out. The foundations for the new nation, supported by the communists as well as the Kuomintang, are Dr. Sun Yat-sen's Three Principles—nationalism, democracy and socialism. To change the figure, the Chinese people have launched their new ship with a democratic chart and compass. I have no fear that they will turn from their course. If the United States and Great Britain will help China, Japan will not be able to continue her southward expansion, and a lasting peace, just to China and to Japan, will be possible.

"Dr. Lauchlin Currie, personal envoy of President Roosevelt, has been in Chungking for two weeks; and has also visited Chengtu. He had made a fine impression on all who have come in contact with him for his friendliness, sincerity and ability. He has studied China's economic needs, and has discussed ways in which the United States might aid China. He has been given every facilty to see reconstruction work, gather data and learn the real conditions in China. He has talked with many people, in and out of government circles, representing different points of view, and members of different politcal parties. To our Chinese friends here he has been more than an economic expert on a special mission; he has been a symbol of American unity and democracy and of America's faith in China and hope for China. Hope that China will maintain her unity, press forward to democracy and become a strong and free state in a new commonwealth of nations.

"China, I am confident, will not disappoint America. The skies are not yet clear, but a brighter day is coming. Unity and democracy are not disappearing in China. They are growing realities."

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Japan Eyes Burma as Thailand, Indo-China Move Axisward Following Dispute Settlement

According to dispatches reaching here from Indo-China and Thailand, it appears that the next Japanese move against China might proceed through Burma. *Domei* reports continued to emphasize the ever-increasing cooperation between Burma and China.

The nationalist *Hochi Shimbum* on March 17 urged the bombing of a Chungking regime military establishment which *Domei* claims has been transfered from Yunnan into Burma. The article stated that the Loween Aviation Factory has been moved into Burma, and, that other assembly plants have been established in the British Colony from which American-built airplanes, landed at Rangoon, are being flown to China by Chinese pilots. "We cannot but consider that Burma is taking part in warlike activities," continued the *Hochi Shimbum.*

Japan has shown "great patience, even deceiving herself regarding the character of trade, in order to allow Britain and America the greatest possible grounds for continuing commerce with China on the pretext that it was peaceful commerce," concluded the journal.

Among *Domei's* allegations concerning the close relations between Burma and China were statements to the effect that Britain is strengthening her military establishments near the Burma-Yunnan border regions, British military advisors are training large numbers of Chinese troops on the Yunnan border, and that "25,000 Chinese troops have already entered the Shan States." Both Britain and China have denied all of these Japanese claims.

Reports during the week also showed ever increasing tendencies of the rapid movement of Thailand and Indo-China away from the Democracies and toward the totalitarian bloc. Following the announcement of the Japanese-dictated peace terms between Indo-China and Thailand (*Review*, March 15), the latter speedily signed an agreement with the Nanking regime, ordered its Nationals to hang out Japanese flags for three days in appreciation for Japan's aid, and took the first step in establishing diplomatic and commercial relations with Russia.

This last step was accomplished by Thai Minister to Germany, Phra Prasasna Bidijajada, who made a two two-day stopover in Moscow while on his way to Berlin. The Thai Minister disclosed that a trade mission now would probably be sent to Moscow. On March 13 a *Transocean* dispatch from Rome hailed the conclusion of peace between Thailand and Indo-China through Japan's mediation as a "great contribution toward stabilization of world peace," and as another diplomatic victory for the Axis.

Evidence showing the trend away from the democratic powers was also observed when Mr. Jingo Futland, Japanese Minister to Thailand, rejected a demand made by the American Minister to Thailand, Mr. Hugh G. Grant, to order the *Domei* News Agency to deny its report stating that Mr. Grant told the Thai Government that the U.S. sanctioned the cession of Indo-China territory to Thailand. This report, carried by *Domei*, continued with a reference to the American Minister's "high-handed action," which followed two interviews with the press in which he issued statements denying that he had given any such assurances to Thailand. Japanese officials took "strong exception" to Mr. Grant's demand, stating that it was made to the "wrong address," as the request for a denial should have been addressed to the authorities, concluded the dispatch.

Japanese circles expect a continuation of the Anglo-American oil boycott against Thailand. This action was started by the petroleum companies two years ago when the Asiatic Petroleum Company ceased business, as a protest against a Thai law requiring oil companies to keep a specified amount of fuel in storage.

On March 12 Vice-Admiral Yoshinobu Shisido, was appointed first head of the Kakunan Juku, an institute designed for training Japanese Youths who in the future will play

Trouble In The Interior.

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active parts in the Southern co-prosperity sphere, stated a *Domei* report from Tokyo. On March 13 it was announced that, "foreshadowing increased exchange of culture" between Japan and French Indo-China, 100 students and numerous government officials, will soon make an inspection tour of Japan.

A *Transocean* dispatch from Bangkok on March 13 states that an Indian merchant who is well known in Bangkok business circles has been arrested on the Thailand-Indian border by Thai authorities on suspicion of being a British spy.

SEVEN U.S. WARSHIPS REACH SIDNEY

Seven American war ships arrived in Sydney on Thursday for a three day visit, according a statement by Mr. W. M. Hughes, Australian Naval Minister, quoted by *United Press.*

It was recently reported from the U.S. that Army Air Corps officials and the Secret Service had seized six planes built for Thailand by an American Company. These planes, which had been in storage somewhere in America, were the last of a consignment of 16 originally destined for Thai. The first ten were "grabbed" by U.S. authorities in the Philippines last year. A *Transocean* dispatch from Manila on March 13 states that they have now been placed in the service of the U.S. Army air arm there.

An American naval squadron consisting of two cruisers and four destroyers, which arrived at Auckland, New Zealand, March 17 on a training cruise, was expected to sail shortly for other Southern Pacific ports, states a *Domei* dispatch from Canberra. The same day Mr. Sumner Welles, Undersecretary of State, stated that the U.S. has no idea of sending the squadron, which consists of two cruisers and four destroyers, on to Singapore.

Reports from Batavia indicate that the new economic conferences between Japanese and Dutch representatives are still progressing with no definite results having yet been reached. On March 14, *Domei* carried a dispatch stating that the Netherlands East Indies has launched an ambitious plan for the industralization of the islands. The government has introduced a bill at the Voksraad for the expenditure of Guilders 16,000,000. This will be used to develop power plants, and be invested in a Guilders 50,000,000 project for the establishment of aluminum, steel, glass, wood pulp, paper, cotton spinning, weaving, and chemical industries, the dispatch said.

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Outstanding Events in the Sino-Japanese War A DAY-TO-DAY SUMMARY

First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th (1937) issue of The Review.

March 2

The National People's Political Council reconvened and elected a Presidium which included Gen. Chiang Kai-shek, Dr. Chang Po-lin (Independent), Chang Chun-mai (National Socialist), Tso Shun-sheng (China Youth Party), and Miss Yu Yi-fang (Independent, President of the Ginling College for Women).

Establishment of a new order in East Asia, a reorientation of Japan's diplomatic policies, the formation of a new economic system, reform of the National Service Association, and reform of the present governmental set-up, will be the chief objects for which the Japanese government will marshal its efforts during the coming 1941-1942 fiscal year, **Domei** reported from Tokyo.

Diplomatic sources in Ankara said that Mr. Yosuke Matsuoka, Japanese Foreign Minister, would journey to Moscow in an attempt to obtain a non-aggression pact with Russia and conclude economic agreements.

An open threat to carry the war into Burma should Chungking troops enter the British Asiatic colony was voiced by a spokesman for the Japanese Formosan Army.

***

March 3

Replying to a telegram from Gen. Chiang, Marshal Semyon Timoshenko, Soviet Defense Commissar, said that "the Chinese nation is carrying on a great and heroic war for its own emancipation and independence. I sincerely wish for success of Chinese resistance. I am confident that under your leadership, China soon will gain victory."

The Chinese military spokesman, commenting on the Japanese rumors by that 20,000 Chinese troops had entered Burma, said that there was no need for the Chinese to aid British defenses.

Gen. Yeh Ting, reported **Domei**, was released a few days ago, in line with Gen. Chiang Kai-shek's willingness to reach a compromise with the Communists. He has been assigned to an important post in Yenan.

The United States Relief, Incorporated, a new American group, announced it was seeking to raise US$5,000,000 by July 31 for China.. The group intends to coordinate work of seven independent agencies and names of its officers and sponsors are from the blue book of American politicians, financiers, diplomats and jourhalists, **United Press** reported from New York.

Units of Japanese South China Forces was said to have effected landings at various strategic points on the Southern Kwangtung coast from west of Macao to Pakhoi, on the Gulf of Tonking, a Japanese communique said. Kdonhoi, Yuenghong, Tinpak, Shuitung, the Luichow Promontory, and Pakhoi said reduced by Japanese troops with slight opposition.

***

March 4

Reliable Chinese sources in Hongkong revealed that a Burma Highway Commission, composed of Burmese and Chinese, was being formed for the purpose of unifying transportation.

Britain and China were digging their own graves, if reports were true that they have formed a secret military alliance and Chinese troops are in Burma, the **Hochi Shimbun** said. The reports, however, was branded as "nonsense" by Sir Archibald Clark-Kerr, British Ambassador to China, when he arrived in Shanghai from a four-month stay in Chungking.

Three 40,000-ton Japanese battleships were launched during the past year and two more such super-dreadnaughts were under construction, the new volume of Jane's Fighting Ships reported, according to **United Press** report from London.

The Yangtse River is still infested with mines placed by Chungking guerillas, according to the Japanese reports. The Japanese were still continuing to sweep the river.

Viewed as the preliminary of Japan's southward drive, the **Shun Pao** correspondent said that a fleet of Japanese war vessels numbering more than 100 had reached the Fukien coast during the past two days and part of it has moved southward.

Questioned regarding the resumption of buying and selling of exchange by the Central Bank of China in Chungking, well-informed Chinese Banking circles in Chungking expressed the opinion that the measure was more political than economic in its implication. It was understool that the decision was merely a precautionary move owing to the possibility of developments which disrupt the exchange markets in Shanghai and Hongkong.

***

March 5

"We do not hope for Soviet or United States participation in the war, as we ourselves are strong enough to fight until final victory," stated Generalissimo Chiang Kai-shek at the People's Political Council, expressing also his assurance that those countries together with Britain would never compromise with Japan to the disadvantage of China.

Dr. Quo Tai-chi, Chinese Ambassador to London, visited Mr. Robert G. Menzies, Australian Prime Minister, and discussed plans for the establishment of legations at Chungking and Canberra.

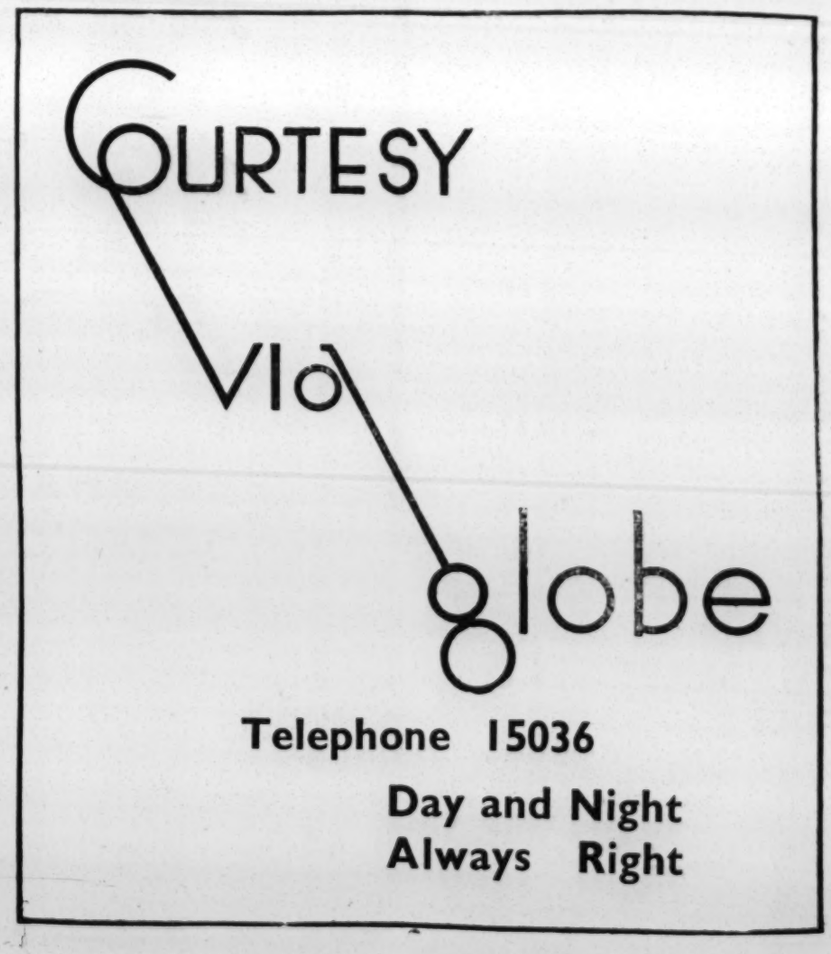
Predicting the Japanese were preparing for a final westward drive into the heart of Free China prior to her expanding to the south, the **Ta Kung Pao** urged speedy preparations for a general counter-offensive against Japan.

Reuter reported from Chungking, quoting authoritative sources, that a solution to the Chungking-Communist rift was near following an agreement on two points as a result of mediation on the part of non-party delegates to the P.P.C. The two points were: Election of a Communist delegate to the post of Presidium of the Council, and Appointment of a special committe by the Council to investigate and study the differences between the Central Government and the Communist party, and to devise measures and means for their amicable settlement.

***

March 6

At its 6th regular session the Chinese P.P.C. unanimously adopted a resolution



inviting Communist members to attend the current session of the body. Generalissimo Chiang Kai-shek, addressing the P.P.C., charged that Chinese Communists on many occasions violated their pledge, made in 1937, to support the Three Peoples' Principles and the National Government.

The Japanese army authorities confiscated goods stored in the Customs at Pakhoi, after notifying Customs officials, **Reuter** reported from Tokyo, quoting Japanese reports.

***

March 7

Dr. Sun Fo, President of the Legislative Yuan, informed the **United Press** that China's last order alone was for a greater amount of war supplies from the Soviet Union than China had obtained from the United States thus far. Commenting on the Sino-Japanese war, Dr. Sun said that "unless the Japanese Navy is eliminated as mistress of the Eastern Seas, any Sino-Japanese peace would really be a **'Pax Japonica.'**

The Nanking puppet government was recruiting men in Peiping and Tientsin in order to form a regiment of officers for the trainng of an army, **Reuter** reported from Peiping.

***

March 8

Mrs. Feng Yu-hsiang, wife of General Feng, Vice-Chairman of the National Military Council, said in radio speech broadcast to Russia on the occasion of the international Women's Day that "thousands and thousands of Chinese women are participating in the work of resistance and reconstruction. Girl students in the Kwangsi Army, girl guerillas in Chekiang and Shantung, woman volunteers in Kiangsi and 300,000 'self-defense guards' in the Hopei-Chahar-Shansi border region are equal in valor to the men on the bloodshed fronts," Mrs. Feng declared. Madame Chiang Kai-shek, lauded Mrs. Eleanor Roosevelt, wife of the President of the United States for her interest in China relief.

Chinese reinforcements rushed to the south-western Kwangtung coast where Japanese staged a surprise landing last week and recaptured Tinpak and Shuitung, between Kwangchowwan and Leukong, **United Press** reported from Chungking. Meanwhile, on another front, Japanese planes raided Patung, a town west of Ichang where Japanese have opened an offensive.

Nanking Newsmen Get Free Trip to Tokyo

Ten newspapermen connected with papers controlled by the Nanking Government have returned to Shanghai from a ten days' trip to Japan where they were the guests of the Japanese Ministry of Railways. Lin Pai-sheng, Nanking Minister of Publicity, told the men, prior to their departure that it was the first time Chinese journalists had been "honored" wih a free trip to Japan, because prior to the outbreak of Sino-Japanese hostilities, Chinese journalists, who visited Japan, had to go "on their own initiative." Those who participated in the present junket were, Chao Moju, vice-president of Central Press, official organ of the Nanking regime; Liu Shih-keh, editor of Wang Ching-wei's **Central China Daily News**, and Tsui Yao-kwang, reporter on the same paper; Tang Ho, editor of the **Ping Pao**, also Nanking organ; Liu Sze-ching, editor of **New China Daily News**; Ho Yun, representative in Hankow for official **Central Press**; Wang Yu-chung, editor of **Shih Teh Wen Pao**; Yen Yueh-tai, manager of Nanking organ in Hongkong, **South China Daily News**; Wang Ching-ju, business manager of Nanking **Hsin Pao**; Chiang Ku-ju, reporter on **Kuo Min Sin Wen**.

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Who's Who in China

Hsu Chi-chuang, banker and financier, born at Hangchow, Chekiang, 1904; studied at the Department of Political Economy, Tsingtao University, Tsingtao; joined the Bank of China in 1922;

徐繼莊字子青

Hsu Chi-chuang

Section Chief of the Military Supply Department of the Headquarters of the National Revolutionary Army in 1926 and concurrently head of its Shanghai Office; joined the Central Bank of China in 1929, being Manager of its Pengpu, Hsuchow, Nanking, Wuhu, Tsinan and Hankow Branches respectively; General Manager of the Farmer's Bank of China in 1934; Deputy Director-General of the Postal Remittances and Savings Bank in 1936, and in 1940 was also Assistant General Manager of the Farmer's Bank of China; Address: Farmer's Bank of China, Head Office, Chungking, or, Directorate General of Postal Remittances and Savings Bank, Chungking.

Tao Ching School Receives US$50,000 for Buildings

The Tao Ching Middle School for Girls, located at Macao, will shortly begin construction on a group of new buildings, including two main buildings for classrooms, a chapel, library and gymnasium. The new buildings were made possible through receipt of contributions amounting to US$50,000 from the United States. The money was raised by the Rev. T. E. Chung,who recently returned from a trip to the U. S. Mrs. Dorothy Sun Young, whose husband is in the Chinese Foreign Service, was recently appointed principal of the School. She recently went to Shiukwan, war-capital of Kwangtung to discuss plans with provincial officials. The Tao Ching School is affiliated with Beaumont College for Girls of New York City, which annually awards two scholarships, valued at US$500 each to Tao Ching graduates.

***

Japanese Dies Following Fall from Mexico Hotel

Kokichi Suzuki, 30-year-old employe of Mitsui Bussan Kaisha, stationed in New York, died at a hospital in Mexico City on March 5, following a fall from the sixth floor of the St. Regis Hotel in the Mexican capital. Suzuki was found lying on the ground attired in his pyjamas and died in a hospital. He had just arrived from New York by air on the previous night, and after a dinner given by Mitsui employes, had retired to his room. It first was thought he had accidentally stepped through a low-ledged window, but later reports suggested foul play as Suzuki allegedly had complained of being followed about in the United States.

Men and Events

The Nanking Government Navy Ministry will establish a new naval base at Kiangyin, on the East Fukien Coast, it was announced March 14.

*

Mr. Tatsuo Kawai, first Japanese Minister to Australia, arrived in Canberra March 13. He described Australian fears of Japan as "completely unnecessary."

*

A new song called "'Thanks Mr. Roosevelt" is now said to be the rage in Britain. Reports from London indicate that it will become the most popular song of the season.

*

The Chinese Society of Journalism was formerly inaugurated at Chungking in the Central Broadcasting Station. Mr. Pan Kung Chan, the vice Minister of Publicity, is the chairman of the Society.

*

Ten visiting Chinese journalists from Shanghai and Nanking ended a ten day visit to Tokyo March 12 when they left for Hakone district. The group will visit Western Japan before returning to China.

*

A Chinese farmer was reported to have been shot March 14 on Lincoln Avenue in Shanghai by City Government police. He was believed to have been attempting to smuggle rice into the settlement.

*

The coffin of the late Panchan Lama recently arrived at Inner Tibet and will soon be buried according to a report from Sinning. A continual procession of Tibetan Lamas and Jassaks has been paying last respects of the body of the late Lama.

*

In the future Chinese wishing to go to Japan must secure passports bearing a visa issued by the Japanese Consular authorities, state reports here. Students and officials need no guarantee, but civilians will require a guarantee from a dependable business or government official.

*

According to a **Transocean** report from Berlin, the U. S. Consulate was struck by a bomb during a British air raid March 12. The bomb fell through the roof to the second floor, destroying the staircase and one of the rooms. Many windows in the neighborhood were shattered by the explosion.

*

Captain Shinnosuke Muneyuki, Lieut.-Commander Hikaru Umano, and First Lieut. Shoichi Okuyama, were killed "in line of duty," when their naval aircraft crashed on March 1 in the northern part of Formosa Island, it was announced by the Navy Ministry March 13.

*

A simple, sure cure for trachoma has been found by German doctors, according to **Transocean** report from Berlin. The dreaded eye disease became a problem when repatriated Germans from eastern Europe were found to be suffering from it. The cure consists of administering in oral form tablets of Albucit, stated the report.

*

Eight divers and other workers left Kagoshima, Japan, March 13 for the scene of the sinking of the 14,187 ton Philippine passenger liner Preident Quezon, formerly the American mail liner President Madison, to resume salvaging operations. The President Quezon sank a few miles off the Japanese coast on January 27, 1940, without any loss of life, the passengers and crew being rescued by Japanese vessels.

Guerilla activities on Shanghai's outskirts, especially in the New Lunghwa area, where 10 Japanese allegedly were killed on March 8, have again been reported. Chinese guerillas were also said to have been operating in the region between Siccawei and Nantao.

*

Six fighting planes, built by North American Aviation Company for Thailand, have been confiscated by Army Air Corps and the Secret Service in the Philippines. They were the last of a consignment of 16 planes originally built for Thailand. The first 10 were, seized in Manila last year.

*

Japanese planes are reported to have bombed the Seventh Day Adventist Mission at Yencheng on January 28. The mission was located well away from town and large American flags were painted on the church and other buildings. The Japanese planes allegedly dropped six bombs causing damage estimated at $25,000.

*

Seven Soviet ships are now in Shanghai for repairs. The last one was the Svir, which arrived here March 15. However, the Smolny, first of the group to reach here, is expected to leave for Manila sometime this week. The Komeles, Pistchevaia Industria, Soviet, and Maxim Gorky are still undergoing repairs. Previously these ships were serviced at Vladivostok and in Japan; however, due to present congested conditions there, they are coming here.

*

The Wreckage of the "Kangting", a China National Aviation Corporation passenger and mail plane, which was lost February 12 while flying from Hongkong to Chungking, was discovered at a mountain near Taohsien, southern Hunan, on Feb. 27. The pilot, co-pilot, radio operator, and navigation officer were all killed. The plane was completely demolished.

The Rev. W. H. Hudspeth was scheduled to address the members of the Royal Asiatic Society and International Institute of China on Thursday, March 20, at 5:30 p.m. Mr. A. H. George, British Consul-General and President of the Society presided.

*

Ryoichi Minami, correspondent for **Towo Nippon** was killed on March 8 at the town of Lingchwan, near the southeastern Shansi border, while he was observing a battle with Chinese troops. He was 35 years old and is survived by a wife and three children.

*

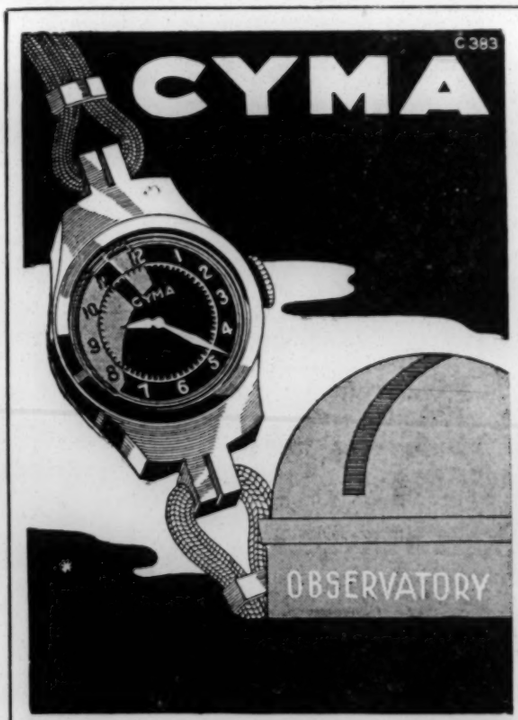
American housewives will have to forego the use of aluminum cooking utensils in the future, as the National Defense Priorities Board has told manufacturers that they will not be able to get aluminum in future. This is the first total restriction ordered since the defense program started.

*

Hidemichi Tokimasa, native of Honolulu and graduate of Hawaii University, and Miss Tamae Tsutsumida, 21, graduate of Sainte Maria's High School, California, were sent to Australia to serve as secretaries to Tatsuo Mawai, first Japanese Minister to that country.

*

The Minatogawa police station in Kobe, Japan, arrested two butchers on Feb. 27 and charged them with selling rabbit and dog meat as chicken and beef. The police report stated that recent investigations had shown that many butchers in the Kobe district had been selling rabbit meat mixed with chicken and dog flesh as beef. All the dealers were prosecuted, but the police stated the practice of mixing dog flesh with other lower grade meats and selling them as beef had become quite general.



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Sir Geoffrey Northcote, Governor of Hongkong, returned to Hongkong on March 13, after an absence in England of eight months. Lieutenant-General E. F. Norton, who served as governor in Sir Geoffrey Northcote's absence will depart for England soon.

•

Mr. Menzies, Australian Prime Minister, may visit America on his trip home from England states a **Reuters** report from London. It is believed that he would like to discuss some of the problems Australia has in common with the U. S. with President Roosevelt.

•

Sr. M. Sison, member of the "Ganap" Party, which has Communistic leanings, has been charged with writing an article with the intention of bringing the U. S. Army in the Phillipines into public ridicule, discredit and contempt. The official charge was "scurrilous libel."

•

Three Dutch steamers left Hankow March 14. They were the first foreign cargo ships allowed to leave since 1938; however, they have been chartered to the Japanese. The Wilhelmina, Beatrice, and Sado, all leased to the Yamashita Kabushiki Kaisha, flew both Dutch and Japanese flags.

•

Mr. Hugh Grant, U. S. Minister to Bangkok, in a statement issued March 12 denied the Japanese report that he had told the Thai Government that the U. S. Government sanctioned the return of former Thai Territories to Thailand by Indo-China because the action constituted a "special case."

•

A partial eclipse of the moon was observed in Shanghai, Hupeh, and Sian on the night of March 13. A total Solar eclipse will take place on September 1, and will be observed by Japanese and Chinese astronomers at Hoshengkiao, located on the Yangtsze river 30 kilometers upstream from Hankow, according to a report in the **Shanghai Mainichi**.

•

The Shanghai municipal government will restore its former official title, the Shanghai Special Municipality, it was decided at a meeting of the Nanking Central Political Council March 13. The city governments of Shanghai, Nanking, and Hankow which are under the direct jurisdiction of the Nanking Executive Yuan will be known as special municipalities, stated a **Domei** dispatch.

•

On March 14 Major Joseph Guido, chief of the Information Bureau of the Philippine Constabulary, stated that the Constabulary had not yet been able to decipher the code used by G. Tanada, editor of the Japanese-language newspaper **Nichi Nichi** in broadcasting messages from the Philippines. However, it was thought that the code messages may have been **Domei** news dispatches. If that is found to be true, Tanada will be charged only with operating an illegal radio station.

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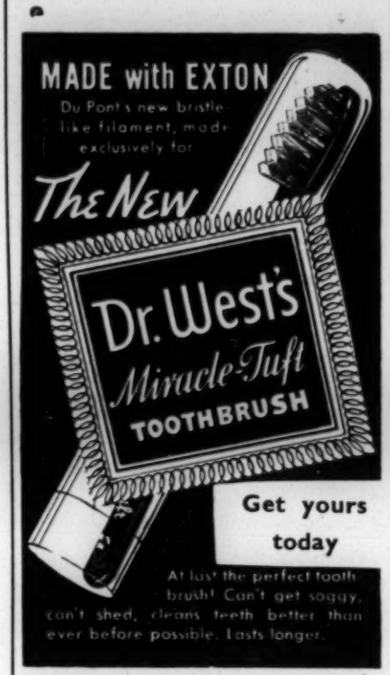
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MANUFACTURING CHEMISTS
SHANGHAI

Arkadi Yekatov, veteran Soviet aviation pilot, who flew from Moscow to Peiping in 1923, died in Moscow on March 17. Mr. Yekatov was still in the aviation service at the time of his death.

*

The Chinese paper, **Chinese-American Daily News** stated that Shanghai has three months' supply of gasoline on hand, and while shipments have been reduced there is little prospect of an oil famine.

*

General Toshizo Nishib, former Commander-in-Chief of the Japanese Expeditonary Forces in China, arrived in Tokyo March 17 from Shanghai. General Nishio had been in China for 1½ years.

*

Information regarding the arrival and departure of British and Allied shipping at Hongkong was prohibited from being displayed or printed for "general information," in the "publication of Shipping and Travel Information" published in the March 15 Government Gazette.

*

Mr. Averal Harriman, President Roosevelt's representative to coordinate arrangements for U. S. aid to Britain, arrived in London from Lisbon on Mar. 15. Mr. Harriman met Colonel Donovan, President Roosevelt's special envoy to Europe who is returning to the U. S., in Lisbon. Mr. Harriman stated upon his arrival at a London airport; "Believe me, the American people certainly mean business.

*

The Legislature of the U. S. Territory of Alaska, on March 6, adopted a Bill which deprived the Governor of all administrative power and passed a memorial against any further "outsiders" being appointed Governor. The action was taken shortly after the present Governor, Mr. Ernest Gruening had addressed the Legislature. The Legislators also refused to pass the Governor's budget and proposal to build armories in the territory. According to **United Press**, residents of Alaska long have resented Washington action in appointing governors from outside the territory and protested when President Roosevelt appointed Governor Gruening last year.

Chinese coal miners, numbering twenty-seven, were found to be missing, following a serious fire which broke out in one of the pits of the Japanese Oyama coal mine at Fushun, Manchukuo last week. Some 50 were rescued, but it became necessary to flood the shaft to prevent the fire from spreading, stated the report in the **Asahi**.

*

T. D. Davy, 61, manager of the printing department of **The North-China Daily News**, died suddenly of a heart ailment at his home on March 16. He had been connected with the senior British newspaper in Shanghai for nearly 30 years. Mr. Davy was born in London and joined a printing firm at the age of 16. He joined the N.C.D.N. at the age of 33 and has been manager of the printing department for 28 years. He served in the S.V.C. and was a member of the Masonic order. He is survived by several brothers in England and his son, who is a graduate of Magdalen College, Oxford, and is now in the R. A. F. He recently received the D. F. C. for distinguished service in making a flight over Germany.

*

Starting from midnight, Saturday March 15, all clocks in Shanghai were advanced by one hour by decision of the Shanghai Municipal Council, the French Municipal Administration and the Shanghai "Muncipal Government" to adopt a scheme of daylight saving, intended to enable the "vast body of the Shanghai public" to enjoy more time for outdoor activities after business hours. The Municipal Administrations hoped that public and private bodies and individuals would cooperate in this project, which also was expected to contribute to the reduction of power and light consumption, an appeal for which as reported elsewhere in this issue of **The China Weekly Review**, was made by the Shanghai Power Company.

Michael Kerry Lusey, infant son of Mr. and Mrs. A. R. Lusey, was christened at Community Church on Sunday, March 16. The Rev. John Lyon Caughey, D. D. officiated. Mr. Lusey is general manager of Press Wireless, Inc.

*

Sir Archibald Clark Kerr was guest of honor at a luncheon given by the Royal Air Force Association on March 14. John Alexander, British Press Attache at Shanghai also was a guest at the function. V. J. B. Holland, vice-president, presided, in place of Sir Victor Sassoon, who is in New York. Sir Archibald, who just returned to Shanghai from Chungking stated that he intended to remain in Shanghai John Alexander, Press Attache, said that it was necessary for everyone to exert his supreme effort and that the doctrine of limited liability is the sure way o defeat.

*

Leighton Shields, U. S. District Attorney, sent a letter this week to the publishers of five Chinese newspapers and two foreign daily newspapers in Shanghai warning them against further publication of lotteries or advertisements or news articles concerning the sale of lottery tickets. The letter stated that the publication of such advertisements was in violation of certain laws of the District of Columbia, which carried penalties of both fines and imprisonment. The newspapers, all American incorporated, included Shanghai **Evening Post-Mercury**, **The China Press**, **Shun Pao**, **Sin Wan Pao**, **Ta Mei Pao**, **Chung-Mei Shih Pao** and **Chen Yu Pao**. When the District Attorney's attention was called to the fact that some of the lotteries were conducted for relief purposes, he said that the law must be enforced regardless of the nature of the lottery.

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New Books of Interest in the Far East

UNUSUAL NOVEL BY SHANGHAI WOMAN

STEPS OF THE SUN. By Emily Hahn. Dial Press, New York. 1940 U.S.$2.50.

As her girl-friend said to her in the book, "Really, Dot, you get into the damndest situations!", and so we, too, may say of Dorothy, the much-harried heroine of this book.

Dorothy is a beautiful, brilliant, American girl, who to escape an unpleasant situation in America, comes out to China, and as far as we can make out, gets into even more complications. The book is the story of this American girl and her romance with a Chinese poet. Unfortunately this poet, like many other poor poets, is bound down to material world in more ways than one: He has a wife, and a jealous one and he has debts.

But poets will be poets and in spite of all—particularly the wife—he is hopeful he can still construct some sort of an idyllic world out of all the bizarre element sof his life, that he, his wife, Dorothy, his poetry and his debts can somehow all be patterned into one harmonious unit.

That then, is the problem of this book, the well-known problem of the "triangle", wife, husband and paramour. But here the "triangle" becomes vastly more complicated because it rests on two continents, because two sides of it belong to the East and one side to the West.

Undoubtedly a real study of the meeting of two people of East and West on the plane of romance or marriage must deal with the difficulties of the adjustment of the two, not only to themselves, but to their society. Are they to belong to the East or the West? Is one side to give up his or her heritage, traditions, customs and, if not, then how can they find a common meeting ground? Either they are, for example, to have Chinese friends, Chinese food and absorb themselves in the intricate Chinese world or they will have Western friends, Western food and absorb themselves in the interests of the western world, or they will waver indecisively between the two worlds. It is a vastly absorbing subject, the meetings of any two cultures on no matter what plane, and the reactions thereof.

But, in spite of all one might have expected, of this subject the book does not deal. Dorothy remains definitely, completely in her Western world, and the poet remains only too definitely, completely in his world. Since they never share a common life there is no need for any real East-West harmonization.

So as the story of a "triangle" love affair, this plot might just as well have been laid in Sioux City, Iowa. It makes no difference that some were Chinese and some were not. In fact, did not Dorothy in America also have a romance with a married man, and did she not there say, "Why can't you keep us both. I mean it," she insisted, "You have us both now. It's what you've been doing all along, isn't it? Then why shouldn't we simply recognize it?" To which the reply was, "Because Betty wouldn't want it that way."

And in this book it is not Betty who didn't want it that way, but Mei-feng, a seemingly fragile, but actually powerful lady of the East. What makes the book absorbing then is the poet's flurried efforts to "make it that way" and Dorothy's reactions in "the damnedest situations."

One's sympathy throughout the book is with Dorothy who is certainly a girl of courage, understanding and faith.

It has been remarked that this book recounts quite closely the experience of the author, Emily Hahn, herself in Shanghai. Certainly the reader will find sketches of many local personalities and of actual incidents with which they are acquainted.

Althougether it is a most absorbing books, but, it must in truth be said—and I am sure that the author will forgive us for this—that it is a rather shocking book. Like Rousseau in his "Confessions," who felt it his duty to disclose every incident in his life, even the incident when he stole a ribbon, so it is that Emily Hahn has not felt it necessary to ignore a bit of her experiences in China. While we must admire her for her lack of inhibitions and her courage, we must admit, that the average reader will find the book a little on the astounding side. Perhaps it is that while we are used to plenty of "Confessions" from men, we are hardly used to as frank, and straight-forward ones from women, whether put in the form of novels, as this one, or biographies.

ADELINE GRAY

Shanghai, March 16, 1941

Hunting Animals and Snakes in China

CHINA'S ANIMAL FRONTIER. By Clifford Pope. Viking Press, New York. 1940. 192 p. U.S.$2.50

Here is a rather refreshing book, with China seen from a different angle. The author, a snake and animal hunter sent out on several expeditions from America, spent some four years in isolated and little-known part of China getting specimens. He tells of his joyous experiences in a most natural and charming way.

At no time does he appear irritated at the vissitudes of his life, and his outlook is so broad and tolerant that what might be a calamity to another foreigner is only amusing experience to him.

The main interest of the book lies, of course, in recounting how one obtains rare specimens of the animal world —how they are found, or how bargained for from native hunters. The book deals with the subject of specimen-hunting from the layman's not the specialist's viewpoint, so that it will appeal to all readers interested in animal life in China. It is a well-printed book with some lovely illustrations, and is both easily and quickly read.

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FRENCH MAGAZINE

The March issue of **La Revue Nationale Chinoise,** local French monthly contains, among other interesting articles "Glimpses of Chungking," dealing with the life of if the inhabitants of China's war-time capital. The influence of Western painting on Chinese modern art is analysed, supported by a number of photos endeavouring to prove that Shanghai has its Cezannes, its Van Goghs and its Picassos. A series of "Love letters of a Chinese Lady", for the first time published in French, is of psychological as well as of historical interest: the letters were written by the wife of a governor of Kiangsu province, to her husband, travelling abroad. Press and Books' review, excerpts from the Far East Press, Political news and general information will be of interest to those studying Far Eastern affairs in Shanghai and abroad.

(Continued from Page 82)

genuine cotton products the Tokyo Government under its anti-luxury regulations still recognizes as legitimate. No wonder also, that Japan has ceased to export to Shanghai any cotton goods.

Manchurian Failure

Prominent among other Shanghai exports to the Japanese Empire are numerous goods in which previously Japan and her colonies expected to be fully supplied from Manchuria, but in which Manchurian wartime exports have failed to live up to expectations. It is within this category that fall local Japanese Empire purchases of rape seed cake, beancake, beans and peas, pig intestines, bristles, and even of buffalo hides and leather. The Kwantung L.T. has become one of Shanghai's best customers of vegetable oils. At the same time, Shanghai is being called upon to take Japan's place as supplier of her colonies. Formosa turned an importer of Shanghai-milled wheat flour. Korea rapidly increased importations of iron and steel from Shanghai. And the Kwantung Leased Territory in January imported $1,790,881 worth of Shanghai tea, and thus developed into by far the best foreign customer for this China staple commodity. As regards some of Shanghai's recent new exports to Dairen such as tea, hides and leather, vegetable oils, as well as dried egg products, rumors go in local trade circles that at least part of these shipments go in transit from Dairen via Manchukuo and Siberia to Germany, but confirmation of these rumors as yet has to be unearthed.

In the whole of Shanghai exports to Japanese Empire destinations, we see that textiles account for slightly over 45 percent; foodstuffs and by-products form another 15 percent; animal products, cluding hides and leather, contribute 13 percent more; while metals and tea (for Kwantung L.T.) account for 10 percent each.

In local imports from the Japanese Empire, valued in January at Customs Gold Units (GU) 2,751,463, foodstuffs occupy the leading position, and share with 36 percent (GU972,000) in the whole. Outstanding among these foodstuffs are sugar from Formosa; beans, etc. from Dairen; as well as fresh fruit, fish, and groceries from Japan proper. Other substantial imports include rayon, coal, chinaware and machinery from Japan proper, as well as vegetable oils and fats from the Kwantung Leased Territory. These imports poorly compare with those of former Japanese staple export commodities such as paper and paperware (January imports: GU39,000), while in cotton goods Japan—in economic intercourse with Shanghai—surprisingly has turned from an exporter into an importer.

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"SHANGHAI — CITY OF REFUGE"

While one hears much about the refugee situation in Shanghai today, it should be of interest to present-day residents of the city to know that Shanghai, particularly the foreign settlements, have served as "Cities of Refuge," from the very beginning. The Taipings were the first to send hordes of refugees fleeing into the Settlements in the middle of the past century and the flood has continued intermittently since.

Shanghai's service as a place of refuge is described in an interesting book, just published, which deals primarily with the Jewish refugee problem, but also contains much historical information dealing with Shanghai as a place of refuge for those of other nationalities who also have received assistance here.

Illustrated, 40 pages, well bound in artificial leather, with a new picture of The Bund on the jacket. Price, including postage, Ch.$7.00 in China, or US$1.00 if ordered from abroad.

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